Volume 2

# NATIONAL INDUSTRIAL RECOVERY ADMINISTRATION

HEARING ON

## Code of Fair Practices and Competition

Presented by

THE TELEGRAPH COMMUNICATION INDUSTRY



April 3, 1934

JESSE L.

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NATIONAL RECOVERY ADMINISTRATION

Washington, D.C.

Tuesday, April 3, 1934

HEARING ON

CODE OF FAIR COMPETITION

FOR THE

TELEGRAPH COMMUNICATION INDUSTRY

The above-entitled matter met pursuant to adjournment at ten o'clock a.m., in the Auditorium, Department of Commerce Building, Deputy Administrator L.H. Peebles, presiding.

There were present also:

C.H. Osthagen, Assistant Deputy Administrator, Public Utilities Section.

C.H. McDermott, Secretary to Deputy Administrator.

Of the Industrial Advisory Board:

C.F. Rumely.

Of the Labor Advisory Board:

D.W. Tracy and H. Brunck.

Of the Consumers' Advisory Board:

O.L. Hunt.

Of the Planning and Research Division:

Dr. A.J. Hettinger, Jr.

Of the Legal Division:

J.G. Sec .b, Code Coordinator, Legal Division and

A. Shannon.

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P R O C E E D I N G S

Deputy Peebles: We will resume the hearing on the Code of Fair Competition of the Telegraph Communication Industry. The first appearance this morning will be Miss Grace Abbott, Chief of the Children's Bureau.

STATEMENT OF MISS GRACE ABBOTT,

Chief of the Children's Bureau.

Miss Abbott: Mr. Administrator, we have asked to appear this morning, in order to call attention to two or three items in the proposed code for telegraph communications which seem to us should be amended. These are the exception in Section 2, which makes possible the employment of persons between 14 and 16, outside of school hours, and between seven a.m. and seven p.m.; and also the failure to fix 18 minimum for hazardous occupations connected with the telegraph industry. The exception in Section 5 of messengers from the maximum hour and minimum wage provisions of the code we also object to.

As to the age, in view of the general policy of the NRA to fix years of age for employment, it seems to me that a

specific showing in favor of an exception should be the basis of such an exception. In the telegraph industry, the young people are principally employed in the messenger service. A few years ago -- that is, for the year 1931, but made in 1932 -- with the cooperation of the Western Union and Postal Telegraph Companies, we made an analysis of the records of the two companies in regard to the 17,000 messengers. More than eleven thousand of these were in Western Union, and more than five thousand in Postal Telegraph.

Now, of this 17,000, approximately one-fourth were under 16 years of age; approximately one-half were between 16 and 18; and another one-fourth were over 18 years of age.

There was also indicated a clear trend toward the older rather than toward the younger group, so that we have, in the telegraph code, an example of an industry which was beginning the elimination of the under-sixteen year age group, and for that reason it seems to us entirely in conformity with general NRA policies, then, to extend the 16 year age minimum to this group; and we would like to so recommend.

I am perfectly aware that there are many young people between 14 and 16 who would like employment at any terms but there are also score millions over that age who are desperately in need of employment, on any terms also; and at this time, particularly, it is unfair to give it to the younger age group. Some of those who do not get jobs at almost any price will

have to be taken care of, then, on relief, but there is much less demoralization in the care of young people on relief than there is in the care of the older age group, so that it seems to me, from every standpoint, the situation demands the extension of the 16 year limit to that.

We should also like to suggest that the hazardous character of messenger service should be recognized in the age provisions. The records of the company which were made available to us show a high accident rate, approximately two-thirds of the messengers at that time being bicycle messengers; about thirty per cent were foot messengers; and four per cent were using either motorcycles or automobiles for delivery work.

Now, the facts as to accidents, in that one year, 1931, are as follows:

There were one 1,870 lost time accidents to messengers. That is, nine out of every hundred messengers of all ages suffered an accident which incapacitated him for work during that year. 190 injuries resulted in the disability of one month or more. 12 resulted in permanent injuries and nine resulted in death.

As for the minors under 16, 40 per cent suffered an injury which resulted in 28 days of disability or permanent disability or death -- that is, one or more serious accidents -- while only 21 per cent of those over 16 years suffered

a similar type of accident; showing that the hazards to the under-sixteen year group are greater than the hazards to the over-sixteen year group. Of course, foot messengers suffered the fewest accidents in proportion to the number so employed, and motorcycles and automobile users the highest rate, but the rates for bicyclists were also high. That is in the Western Union. We do not have the exact figures for Postal Telegraph, but the indicated trend was apparently the same. Foot messengers, four out of 100, was the accident rate. For bicycle messengers, eleven per hundred. For motorcyclists, 44 per hundred.

It was the fact that the records of the State Department of Labor in New York showed that 33 per cent of the minors under 18 years of age, who were injured in the course of work by motor vehicles and bicycle accidents were messengers and errand boys that led us to undertake this analysis of the telegraph figures.

In view of these facts, then, our recommendation is a 16 year minimum for all minors, and that, under 18, they should not be allowed to deliver on bicycles, motorcycles or automobiles. That would put them in the category of a large number of industries that have been so classified under the code; that is, the hazardous group, that at least an 18 year minimum is fixed. There is very good technical authority for such, in connection with insurance company

findings, and our technical advisory committee, so that it seems to me to be quite warranted. It would leave, for the 16 to 18 year group only the foot messenger work, where the accident rate is lower.

Now, in Section 5, which excepts messengers from the minimum wage and the maximum hours of work provisions of the code -- and that applies to adults as well as to young people-- I am quite unable to understand why this should be. In general, the wages for messengers are very low. They are usually paid on a piece rate and zoning system, so that they differ widely. Figures that have been supplied to the Bureau by official agencies show the wages sometimes as low as $1.04 for three days work, for a 15 year old boy; $2.93 for a four and one-half day week, for a 15 year old boy; $4.67 for six days, for an 18 year old bicycle messenger; $5.82, from which $1.50 was deducted for payment on bicycle for a boy of 15 years, and so on.

Reports also show that the wages are much lower now than in 1929. An 18 year old messenger with four years' experience with the Western Union reports earnings of from 14 to 15 dollars a week in 1929, from four to six at present. Out of this, he pays, I think it is seven cents a day for his uniform, so that what he would pay would depend upon the number of days a week that he worked.

In the special advertising type, which the Western Union

also undertakes, the payment was 16 cents an hour. The boys reported, however, at 8.00 a.m. in the morning, and there was a system that we used to know so well in the clothing industry, of their payment beginning only when they were assigned to a job. They reported at eight, and if they did not go out till ten, they were paid from ten on, and if they got back in the office at two o'clock, they got nothing more for the rest of the day; but they were required to be in attendance, so that they could be used, if necessary.

The general rule in regard to wages, as far as we have been able to learn it, is that a boy begins at 16 cents an hour, but both the days and the hours a week are uncertain, the hours of the day and the days of the week. Later, he is transferred to piece work rates.

Our feeling is that messengers should be paid, all of them, adult or minors, should be paid the minimum wage rate fixed by the code. If you discriminate against the younger group, you encourage their employment at the cost of the adult group, which is now so greatly in need of employment, and, after all, if a wage is a minimum wage, it should be the minimum wage, not something else, and consequently we feel very strongly that it should be included.

As to the hours, we see no reason for exemption from the hour regulation also. Certainly for minors under 18, the daily and weekly working hours should be fixed and

no night work should be allowed for those under 18. There are some thirty states that have either 18 or higher for that. There is quite a number of them have 21, so that the code really ought to recognize that, in the standard.

I also wanted to call attention to the fact that there was a specially hazardous occupation in connection with the outside work, in the stringing of the wires, and that kind of service -- the repairing and the erection, outside work, from which it seems to us young people under 18 should also be excluded under the hazardous occupation rule.

I think that is all. We have our little report on the accidents to messengers, which I should be very glad to give to you. The other one is the code itself.

Deputy Peebles: You may leave that.

Miss Abbott: Yes, I will leave that with you.

(Miss Abbott left with Deputy Administrator Peebles the accident statement referred to.)

Deputy Peebles: Are there any questions you want to ask?

Mr. Scott: Is it your position that the messenger service is so hazardous that it should be limited to those above 18?

Miss Abbott: Not for the foot messenger service, but for the bicycle and the automobile and the motorcycle.

Mr. Scott: I see.

Miss Abbott: Yes.

Deputy Peebles: You feel that all messengers should be given the minimum of the code?

Miss Abbott: Yes, I do. That is, I feel it because, after all, messengers are, a fourth of them, over 18, you know, a fourth of them under 16, and another half between 16 and 18. After all, their demands for purchasing power are just those of others, and when we are fixing a minimum wage here, it should be a minimum wage; and messengers should be protected.

Deputy Peebles: Are their responsibilities the same as the older ones?

Miss Abbott: Well, the younger ones?

Deputy Peebles: Yes.

Miss Abbott: Well, so far as I know. So far as I know they are.

Deputy Peebles: That is, they have no families to support, as a rule?

Miss Abbott: Well, the young boy under 16, is, of course, not married in most cases, and he does not have a family of his own, but he would have others. Of course, we are advocating that that 16 group should come up now in the 16 and 18. I would prefer, as the limitation at the present time, to see the older group in. I think we can take care of that younger group in more constructive ways in this emergency than we can

with an older employed group with less injury to them than in the other way.

Deputy Peebles: Thank you very much.

Mr. Edwards, of the Radio Corporation of America, has asked permission to appear. Will you identify yourself for the record?

STATEMENT OF MR. H. EDWARDS,

Representing the New York, San Francisco and Eastern and Western Divisions of the Radio Corporation International Communications Employees.

Mr. Edwards: I represent the New York, San Francisco and the Eastern and Western Divisions of the Radio Corporation, International Employees, International Communications Employees.

Deputy Peebles: In what capacity do you represent them?

Mr. Edwards: As representative under the NRA. That is about all. We have no regular organization. I have just been elected to come to Washington to speak for them on this behalf.

Representing that branch of International Communications men employed by R.C.A. Communications, Inc., we wish to point out that the men we represent cannot strictly be classed as telegraph men. They were telegraph operators in the past and have, by special training, become highly skilled in the

distinct field of International Communications. This field is highly important in the commercial world and has developed a technique all its own. The conditions under which these men work have hardly a duplicate in the domestic field.

Any code to protect them would be rather drastic on the domestic telegraph system wherein the worker is less highly trained. There are but two methods of regulation: One, a separate code differing from that of the telegraph code in certain provisions. The other, an amendment to the telegraph code increasing the minimum wage for these highly skilled operatives, in proportion to their skill and in recognition of the years spent in obtaining that skill. This branch of communication has always had a 48-hour week and no additional men can be added unless the hours are cut by either eight hours in one period each fortnight or a greater decrease.

The following are suggested for International Communications:-

1) No employee (other than executives) shall be employed more than 40 hours each week over a period of two weeks (except in cases of emergency in maintaining or restoring communication due to unforseen happenings, in which case eight extra hours per week may be worked, and this time repaid within four weeks.

2) All time over 48 hours per week to be repaid by "time and half" (in cash or time).

3) All holidays to be paid in cash at "time and half"

rate.

4) International Communications men shall not be paid less than $40,00 per week.

5) Domestic Telegraphers shall be paid not less than $30.00 per week in cities of over 500,000.

6) Clerical workers, and similar semi-skilled employees, shall be paid not less than $20.00 per week in cities of over 500,000

And when I said "all holidays", I also intended Sundays in that -- all holidays and Sundays to be paid in cash at time and a half rate. And may I interrupt also to add, for the minute, that I have heard, so far, no distribution of the men's work, according to their rating in the companies. We have, i n the telegraph industry, exceedingly highly skilled men. It has taken them at least five years to attain their skill. We have also telegraph operators who have absolutely no use as operators, unless they have been employed two years. We have also semi-skilled workers, the machine operators and printers, operators, printers, typewriter operators, and all those people, who have had to spend at least six months at gaining certin proficiency in their work, and we have a large branch of unskilled workers, who are nothing but checkers, and you know, the regular clerical workers of any organization.

It is not fair to lump all of these workers together in one class. I think the dis tinction should be paid according to the time spent by each individual employe for the work he is doing, the time he has spent in acquiring proficiency for that work. That was my case that I brought yesterday to present. I trust you will permit me to add another page or two.

The radio communications steup has been the result of years of untiring work on the part of many men like myself. It has not only been the engineers who designed the equipment

and who have so adapted that equipment to our uses. Now that the results of our work are beginning to show, we must request the authorities to safeguard us, the workers, who by our applied skill, have built up an organization that is now a valuable adjunct to both the commercial and governmental fields. This organization is at last in a position where we may claim our share in its prosperity during the business revival which we all hope is ahead.

And our association to bargain collectively with the RCA has been recently formed (in fact so recently that when I left New York I was representing only New York's approximately 170 operating and technical maintenance men and approximately 130 clerical workers), but yesterday, during the session, I received notification that San Francisco, Bolinas, Point Peyes (Calif.) (our Western Division) and Rocky Point and Riverhead, New York, had given men authorization of the entire staffs to act as their representative. Tuckerton and New Brunswick returns were incomplete but a majority had also so acted. It is on behalf of this organization that I enter a request for protection from the other organizations here who ask a $15.00 minimum. That suggestion seems incredible -- that a man after having spent years of his life in obtaining a skilled trade,--particularly to have been really uttered by an organization which is supposed to be looking to the best interests of its associates. I repeat it is unbelievable.

We also ask protection from another viewpoint; that of a companywho having shared none of the expenses of experiment and whose employees have not (while in their employ) shared in the strenuous work and troubles of those early days, demands the right to obtain a slice of the rewards of those years.

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We do not think it fair. Our men will get their share of whatever benefits are applied to the commercial field, and we think the words "exclusive contracts" as applied are not rightly applied in that effect. Limit the time of the profits to be obtained from those exclusive contracts, and that would be perfectly satisfactory, I think, to the companies themselves; but, speaking for the men, we felt that the result of the drastic competition now going on in the domestic field will also apply to us, and we will suffer.

I dreadthe thought of what International radio communications would be like in the future if the land-line employees under the heartless competition of these companies can demand no better than $15.00 per week. Our past relationship with the NCA has been always on a friendly basis and although we hope for many improvements in the near future -- our organization will take care of that -- we see no reason why these should not be obtained by peaceful collective bargaining. And we, the International Communications men, do most urgently beseech the Administrator's attention toward eliminating the conditions that have reduced an entire industry to the level of $15.00 per week, and ask his attention to preventing our branch from sinking that low. If that be exclusiveness, compare the workers' status of exclusiveness against a disastrous example of ruthless competition -- $15.00 a week for a trained and skilled industry.

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Deputy Peebles: May I ask you a few questions before you leave, Mr. Edwards? Do you have common labor in this industry?

Mr.Edwards: We have the messenger staff like any telegraph organization. It has been the principle of the RCA, whenever they needed a messenger or learner, or whatever type it be, to employ him, if possible, from the messenger staff. It is regarded as promotion. We need men doing semi-skilled work, that is, routine, and all that sort of stuff. These men generally are taken from the more capable of the indoor messengers. If those boys care to learn the telegraph game, they are taught. From there on they become operators. It takes at least four years to train an ordinary semiskilled worker to become of any use whatsoever to the International Communications game -- four years of work.

Deputy Peebles: Is the Radio Corporation of America trying today to do some construction work?

Mr.Edwards: Yes. Well, of course, that comes under the engineering department. I do not speak for the engineering department. I speak for the operating and technical maintenance men.

Deputy Peebles: What I wanted to bring out was this: The code establishes a minimum for common labor, and it does not attempt to establish a scale.

Mr.Edwards: No, that is just what we are getting at.

We are afraid there is absolutely nothing in there that protects our particular work in the code. We would like it rather definitely stated, just where the minimum applies, and how much higher the salry minimum would be for separate, distinct branches of the telegraph code.

Deputy Peebles: I don't think that a scale of that kind would hardly be permitted under the law.

Mr. Edwards: Well, that is why the communication men, I believe, have also already asked for a distinct code of their own or an amendment to the code protecting International Communications. We are a distinct group, apart from the domestic field at present, and honestly we prefer to stay so.

Deputy Peebles: Well, ordinarily in a code you deal with a minimum ikn the wages, which is a minimum for them, applying to common labor.

Mr. Edwards: Yes.

Deputy Peebles: You see what I mean?

Mr. Edwards: Yes.

Deputy Peebles: Do you want to put a question to him?

Mr. Scott: No.

Deputy Peebles: Mr. W.A. Monaghan, of the Western Union Telegraph Company, put in an application for an appearance.

STATEMENT OF W. A. MONAGHAN,

President, Western Union Cable Employees' Association, American Division.

Deputy Peebles: You are from the Western Union Cable Employees' Association, I believe?

Mr. Monaghan: Yes.

Deputy Peebles: Will you identify yourself and state your position in the Association?

Mr. Monaghan: I am William A. Monaghan, President of the Western Union Cable Employees Association, American Division. I am employed by the Western Union Telegraph Company, on the technical courses, from the Central Cable offices, located at 40 Broad Street, New York City.

I should like to make a few brief comments on the method of employer-employee negotiation at present obtaining in the Cable Division of the Western Union Telegraph Company.

The Western Union Cable Employes' Association found its birth in a spontaneous movement on the part of the majority of the cable operators and other cable telegraph employees of my company.

After several trials of other methods - by individual action and by concerted action on the part of the workers of the entire International Communications Company -- it was decided by at least 90% of the cable employees of my company that more could be gained for the employees of the Western

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Union if negotiations with our employers were carried out through an organization formed of employees and controlled solely by our own fellow-workers.

We considered that we were far better qualified to deal with problems concerning working conditions in our own company than strangers would be. It was principally for this reason that the Western Union Cable Employees banded together to form our Association.

Ever since 1919 that Association has been functioning and, we believe, with far greater success than any outside organization could have hoped to obtain. Liberal pensions and employment termination gratuities were obtained for cable employees whose services the company could no longer absorb.

I would like to pause here, Mr. Deputy Administrator, and say, in reference to two temporary pension schemes which were brought about as a result of negotiations between the Western Union Telegraph Company and our Association -- I do not know -- in 1922 or 1923, a great number of our members were released at various cable stations due to the progress in the art of the cable telegraph. In 1932, a similar condition existed when a further redundancy occurred, due to the progress in the art of the cable industry. We were successful in negotiating two temporary pension schemes with the company. I do not know of any other labor organization in the country who obtained such labor concessions for its members as we did in

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these two instances. In oth cases, the company was persuaded to grant liberal employment release payment, or in the case of the older employees, liberal pensions to employees whose services the company could no longer use, and who may, quite legally, have been dismissed without pension of any kind.

Several general wage increases were obtained solely through the efforts of the Association. And in many other ways have working conditions in the Cable Division been improved since the advent of our Association. I should like to place in the records copies of a few of the settlements resulting from negotiations between the Western Union Telegraph Company and our Association.

Of course, our demands to the Company for bettered conditions of service, higher wage levels, etc.have not always been met in full. But our company has always permitted us absolute freedom in dealing with them. Our representatives are elected solely by the free choice of our members. Our employes are not and never have been forced to join the employes' association.

I should like to make it clear to this Board that the Western Union Cable Employes' Association is entirely free from affiliation with any other labor organization. We have absolutely no connection with the domestic telegraph employes association. Neither do we enter into joint negotiations with the Domestic Telegraph Association and the Western Union

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Telegraph Company. All expenses, salaries, etc., are paid from our own Association funds. We are absolutely independent of the company financially.

And repeating the words spoken by my colleague yesterday evening, I should like to emphasize that the Western Union Cable Employes find their present medium of company-employes negotiation entirely adequate and we have every wish to continue to work out our differences with our employer in the present manner.

The Western Union Cable Employes' Have now concluded their testimony before the Board. We would appreciate it, Mr. Administrator if you will now give the representative of the Commercial Cable Company employes an opportunity to be heard.

I am appending here copies of a temporary pension scheme which was negotiated between the employes, and several memorandums of understandings.

Deputy Peebles: Give them to the stenographer.

(The papers above referred to are as follows):

"WESTERN UNION TELEGRAPH COMPANY

CABLE SYSTEM

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TEMPORARY PLAN FOR CABLE PENSIONS

AND GRATUITIES

1932.

WESTERN UNION TELEGRAPH COMPANY

CABLE SYSTEM

* * * *

TEMPORARY PLAN FOR CABLE PENSIONS

AND GRATUITIES

1932

Pursuant to a resolution of the Board of Directors, June 28, 1932, the following plan shall apply to all present American and European cable employees released between June 1, 1932, and June 1, 1933:

1. - FORMER EMPLOYEES OF ANGLO AMERICAN TELEGRAPH CO. LTD.-

As all former Anglo employees have now completed at least ten years of service, the reference to a gratuity payable for less than ten years' service (Anglo Plan, Art. 4) no longer applies; therefore, any former Anglo employees now under the Anglo Plan who may be involved in the contemplated force reduction are entitled to pension, regardless of the age of retirement, computed in accordance with the terms of the Anglo Plan, viz., 1-60th of the average pay during the last three years of service for each completed year up to 40-60ths; service under the age of twenty years not to be counted for pension purposes.

Former Anglo employees to whom apply the provisions of the President's letter of Dec. 1, 1923, shall be treated under the terms set forth below applying to Western Union Cable employees, notwithstanding the fact that they may not yet have reached the

age of sixty years.

2. - FORMER EMPLOYEES OF DIRECT UNITED STATES CABLE CO. LTD.

Under Article 6 of the Direct Plan an employee, who is less than 60 years of age and who has had ten years of continuous service, and is released from the service through no personal fault, is entitled to a gratuity of one month's pay for each year of completed service on the basis of the pay he was in receipt of at the time of release. This provision of the Direct Plan shall apply to any former Direct employees who may be now under the Direct Plan and involved in the contemplated force reduction. Gratuities shall be payable in installments as described hereafter.

3 - WESTERN UNION CABLE EMPLOYEES.

Gratuities or pensions shall be paid as follows:

(a) Having less than five years' service released at any age:

Gratuity of one month's pay in lieu of notice.

(b) Having five years' and up to ten years' service, retiring at any age:

Any installment gratuity equal in total toone-half month's pay for each completed year of continuous service, computed on the basis of the pay at the time of release.

(c) Having ten years' and up to twenty years' service, released at any age:

An installment gratuity, computed on the basis of the pay

at the time of release, equal in total to one-half month's pay for each of the first ten years of continuous service, plus one full month's pay for each completed year over ten years.

(e) Having twenty years' service or over, retiring at the age of fifty and upward:

A pension based upon the present Cable Plan, viz., for each completed year of service, 1-60th of the average annual pay received during the last three years of employment, except that no service under the age of twenty shall count for pension; no pension shall exceed 500, or $2500.00 per annum; and no minimum pension shall apply, to employees retiring under this Temporary Plan.

GENERAL PROVISIONS:

All gratuities described in the preceding paragraphs shall be paid in equal monthly installments over a three year period, beginning the month following release of the employee from the service, except that, (1) when the gratuity is for one month's pay only, the amount shall be paid in one sum, and (2) when the installments, if paid over a three year period, would amount to less than 5, or $25 per month, the installment payments shall be at the rate of 5, or $25 per month until the total gratuity, computed in accordance with the foregoing, shall have been paid in full.

In event of death of a released employee occurring before all gratuity installments due him have been paid, the Company

of accumulated service obligations. If an employee subsequently re-enters any branch of the service, he shall be treated as a new employee, commencing service on the date of his re-employment.

In computing length of service for obtaining the amount of gratuity, the student period shall be eliminated.

In computing pensions and gratuities, no overtime, house allowances, income participation payments, etc., shall be included. For purposes of computing gratuities, the rates of pay at time of release shall take into account any general deductions from salaries in effect when the employee is released but not any deductions for short time assignments, except that in the cases of employees coming under Section 2 above, gratuities shall be determined as defined in that section. For purposes of computing pensions, the rates of pay for the specified period preceding date of retirmenet shall take into account both general deductions from salaries and deductions for short time assignments.

This Plan does not include students or established students. Domestics and janitors are not eligible for pensions or gratuities under the foregoing provisions, but shall receive one month's pay, payable in lump sum, in lieu of notice.

No pension or gratuity shall be paid to any employee who shall voluntarily retire from the Company's service or who shall be dismissed for misconduct or other cause.

In the selectionof employees for release either under a gratuity or a pension, the principle of "last on, first off" in the respective classes of work shall be strictly observed, qualified only by inability to do in a satisfactory manner the work required. Whenever possible, senior employees under the age of sixty, whose positions have been abolished or changed or who without being physically disqualified are unable to do the work required under existing or new conditions, shall be stepped down to suitable inferior position with suitable adjustment of pay.

NEWCOMB CARLTON,
President.

New York, July 1, 1932.

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Memorandum of Understandings Reached Between the Representatives of the Western Union Cable Employees Association (American Division) and Company Officials at a Conference New York, January 18 to January 23, 1933.

It is agreed for the year 1933 only:

1. All employees at Canle Offices and Stations whose annual basic ratings amount to less than $4,400.00 but exceed $1,200.00, shall have a further wage deduction equivalent to a total of two weeks' pay, except that in the case of those who are entitled to less than two weeks' vacation, the amount of the deduction shall not exceed the equivalent of the vacation period to which they are entitled, the deduction to continue

uniformly throughout the year.

2. It is further agreed, with respect to Cable System employees coming under the provisions of the Company's Employees' Benefit Fund Plan, that effective January 16, 1933, the term "half pay" shall be substituted for the term "full pay" wherever the latter occurs in the provisions of the Employees' Benefit Fund Plan, relating to benefits for sickness disability and total accident disability, such resultant reduction in no case to reduce accident disability benefits below the amount prescribed by state compensation laws. Similarly, partial accident disability benefits for the first thirteen weeks shall be computed in the manner prescribed in the Plan for subsequent period of disability.

FOR THE COMPANY:

J. J. WELCH,
Vice-President.

W. J. BLENHEIM,
American Traffic Mgr.

FOR THE ASSOCIATION:

W. A. MONAGHAN,
President

WM. E. FANJOY,
Vice President.

ARTHUR H. V. BUNDEY,
Secretary-Treasurer.

JOHN M. HUMMEL Jr.
Delegate.

The above memo of understandings has since been modified. Commencing January 1st 1934, for 1934 only, the wage deduction is reduced to theequivalent of three days pay.

MEMORANDUM OF UNDERSTANDINGS REACHED BETWEEN
REPRESENTATIVES OF THE WESTERN UNION CABLE EMPLOYEES ASSOCIATION
(AMERICAN DIVISION) AND COMPANY OFFICIALS AT A CONFERENCE
IN NEW YORK JULY 3, 1933.

Calculations for the purpose of arriving at the amount of wages to be refunded for the period covered by the eleven months ending June 30, 1933, in conformity with paragraph 4 of the Memorandum of Understandings between the Western Union Cable Employees Association (American Division) and the Western Union Telegraph Company of July 29, to August 4, 1932, having been reviewed by the representatives of the W.U.C.E.A. (American Division) and by the officials of the Company, it is agreed that the amount refundable to the employees is the sum of $813,900. The determination of this amount is predicated upon an estimated net income for the month of June of $1,100,000 and is, therefore, subject to increase or decrease, as the case may be, when the actual net income for the month of June, 1933, is known, which should be shortly after the first of August, 1933.

As soon as practicable after the correct amount of wages to be refunded is ascertained, the Company will make payments to the employees in accordance with paragraph 4 of the Memorandum of Understandings.

It is also agreed that the Company will terminate, effective July 1, 1933, the additional wage deduction of 10%, as of which date, the Memorandum of Understandings of July 29 to Au-

gust 4, 1932, shall terminate in accordance with its provisions.

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| For the Company: | For the Association: |
| J. J. Welch, | W. A. Monaghan, |
| Vice President in Charge of Traffic. | President |
| W. J. Blenheim | Arthur H. V. Burdey |
| American Traffic Manager. | Secretary-Treasurer. |
| | Charles E. Ludlum |
| | Delegate. |

Deputy Peebles: Mr. Monaghan, I take it you are the president of the Western Union Cable Employes' Association?

Mr. Monaghan: Yes, sir.

Deputy Peebles: In other words, Mr. Bundey, who spoke yesterday, is the secretary of that same association?

Mr. Monaghan: He is the general secretary.

Deputy Peebles: And you collaborated with him in the preparation of the code which he presented?

Mr. Monaghan: Right, sir.

Deputy Peebles: And there was no collaboration with either of the association of Western Union Employes or with the company itself in making up your code?

Mr.Monaghan: Absolutely not, no, sir.

Deputy Peebles: None whatever?

Mr. Monaghan: No, sir.

Deputy Peebles: No suggestions passed between the two?

Mr. Monaghan: No suggestions passed.

Deputy Peebles: You did not have a common lawyer?

Mr. Monaghan: No, sir.

Deputy Peebles: Any questions?

Mr. Scott: You agree with what Mr. Bundey said in his proposals all the way through? For example, do you agree that Sunday and holiday hours should not be included in the computation of maximum week hours?

Mr. Monaghan: Absolutely, sir. I do not think that

an employe is fully compensated by having to take a day off in the week for working Sundays.

Deputy Peebles: I do not understand what you mean.

Mr. Monaghan: Well, within the last two years employees in the Cable Division, working Sundays -- not all of them -- have had to take a day off, as compensatory time for Sunday work.

Deputy Peebles: In other words, your idea of omitting Sundays and holidays is so that an employee can work over the 40 hours and earn extra money by working on Sunday, is that it?

Mr. Monaghan: We do not think that he is fully compensated by giving hour for hour, for the work performed on Sunday. In other words, the men who are compelled to work Sunday work, on account of being in public service business are handicapped. The man probably has to work longer hours, because the transportation facilities on Sunday, to and from work, are not the same as on the weekday. He has to spend money for his lunches.

Deputy Peebles: Well, is there any scarcity of employees in this cable international business?

Mr. Monaghan: Any scarcity?

Deputy Peebles: Yes.

Mr. Monaghan: I would not exactly say there is a scarcity, but they are few in numbers.

Deputy Peebles: In other words, suppose that the work was strictly limited to 40 hours, wouldn't there be enough

employes to fill the needs of the company?

Mr. Monaghan: Yes, sir, because in our particular office there would be -- the telegraph company have quite an investment in a cable operator. It takes some period of two years to train before an employe qualifies as an operator, and then as a very, very junior. In other words, he goes to a school and learns the principles of cable telegraphy for a period of 18 months to two years, and then he is transferred to the operating room.

Deputy Peebles: Well, what I am trying to get at is why you omit Sundays from the standard week. Is it purely to permit these operators to earn more money by working on Sundays? That is it, isn't it?

Mr. Monaghan: Not exactly. We feel as though he is not compensated by being paid in any other manner than by money.

Deputy Peebles: I do not know that that enters into it. What I mean is, you establish a forty hour week. Then you say you won't include Sundays and the operators work on Sundays; so then they would be working 48 hours, but you want time and a half for the Sunday work, is that it?

Mr. Monaghan: Right, sir.

Deputy Peebles: Your idea is that the operators will work 48 hours rather than 40?

Mr. Monaghan: Some. The numbers that work on Sunday are few.

Mr. Scott: Couldn't you take care of that by establishing a maximum hour week, and then establishing an overtime payment for all over the maximum established for the week? The way you have it is, that you should work 40 hours six days a week, then you could work 24 hours on Sunday. That is not what you intend, is it?

Mr. Monaghan: No. The telegraph company will not allow an employe to work 24 hours on Sunday.

Mr. Scott: Well, we are not talking about that. We are talking about what your proposal is, what you actually mean by saying that Sunday and holiday hours are excepted from the computation of a maximum week.

Mr. Monaghan: Well, we feel as though, just as we stated before, that he is not compensated in any other way except by being paid for the time worked, whether it is week day or Sunday.

Mr. Scott: Wouldn't overtime take care of your specific problem?

Mr. Monaghan: Yes, sir, we call Sunday work overtime.

Deputy Peebles: In other words, to establish a standard week of 40 hours and for overtime paid at say, time and a third, time and a half, or whatever is agreed upon --

Mr. Monaghan: We have always looked upon Sunday work as overtime work, which is probably wrong --

Deputy Peebles: That paragraph is clearly to provide

overtime for that work, isn't that right?

Mr. Monaghan: Yes.

Deputy Peebles: On Sundays and holidays?

Mr. Monaghan: Yes, sir.

Deputy Peebles: Now, you refer to employees going to school, and trying to study over a period of two years, before they are competent. Are they paid full time during the time they are at that school?

Mr. Monaghan: Yes, sir.

Deputy Peebles: What rates are they paid?

Mr. Monaghan: I believe, prior to 1930, prior to the termination of the school, they were paid approximately $70 a month by the company.

Deputy Peebles: How many hours a day did they have to work?

Mr. Monaghan: They worked eight hours a day.

Deputy Peebles: Six days of the week?

Mr. Monaghan: Five and a half, I think.

Deputy Peebles: Five and a half days?

Mr. Monaghan: They were excused Saturday afternoons.

Deputy Peebles: Any further questions?

Mr. Scott: Yes, to get back to this other thing. I am trying awfully hard to get clear about that. Isn't the thing that you are aiming at the situation whereby employes have been laid off, for example, one day during the week, and then

been compelled to make up that time on Sundays and holidays, without additional pay? Is that the situation you are trying to cure by that Sunday and holiday business?

Mr. Monaghan: No, sir. It has always been the employee who works Sundays in the Cable Division, as far as I can recall, always got paid overtime for working on Sunday, and it was due to the depression, and the financial condition of the company, that we accepted straight time. And shortly after we accepted straight time, due to the redundancy in the forces and the falling of the loads, there was only one or two alternatives the company could take. That was either to dismiss the employees or shorten the hours, so those who worked Sundays took a day off during the week, and so that some of the men could be continued in the employe of the company. I do not know whether I am clear.

Mr. Scott: They would take a day off during the week; then they would work on Sunday, without any additional pay for the Sunday work. Is that what you mean?

Mr. Monaghan: Yes, but they got paid for the time off.

Mr. Scott: And your complaint is that, paying for such work by extra time, without additional pay, is not adequate for Sunday and holiday work?

Mr. Monaghan: Pardon me?

Mr. Scott: Well, when you compensate for the day off during the week, merely by working on Sunday on straight time,

that is not enough; is that your point?

Mr. Monaghan: Exactly.

Deputy Peebles: Any further questions? Thank you very much.

STATEMENT OF W.H. DICKIN, Chairman,

New York Branch of the Commercial Cable Staff Association.

Deputy Peebles: Mr. Dickin, will you identify yourself, and give your connection with the Cable Company?

Mr. Dickin: Mr. Deputy Administrator, Ladies and Gentlemen: I am W.H. Dickin, Chairman of the New York Branch of the Commercial Cable Staff Association. I am here wishing to join with the other representatives of the cable division, requesting the granting of the separate code to that division. In making that request we, of course, that it should be made clear just why that division should exist. We support that on account of the work, or the difference in work performed, and we have here an identifying review of the submarine cable section of the Communications industry. With the permission of the Deputy Administrator, we would like to have it read into the record?

Deputy Peebles: You may read it.

Mr. Dickin: Thank you. Before starting, I would like to say that this identifying review has been compiled a little early, and some of the sentences are possibly not applicable

at present.

As a preliminary to the public hearing on the Permanent Code for the Communications Industry, we beg leave to review the conditions prevailing in the Submarine-Cable Communications field.

These conditions differ considerably from those of the Domestic Communications and, we believe, warrant the writing of a special Code or at least the inclusion, in any Code adopted, for the Communications Industry, of reservations or amendments recognizing and meeting the requirements of this particular branch.

The operation of a Submarine Cableis a much more complicated and difficult service than that of the Domestic Telegraphs System, and has by the existence of higher wages and other superior conditions of service always been recognized by the communication companies as a highly specialized branch of the Industry, employment therein being subject to exceptional and exacting qualifications.

A lengthy period averaging two years of intensified and specialized training must be successfully negotiated by young men aspiring to an appointment as a cable-operator. Following this period they are then transferred to the operating room of the cable office as probationers. The period of probation varies withthe particular ability and adaptability of the individual and ends with the appointment of the individual to the capacity

of cable-operator. Even on top of this progressive programme comes a further step. Viz: - The need of a thorough working knowledge of the detailed routines of the cable business, without which no operator can give the type of service absolutely essential to the special classes of traffic demanding ten second elapsed time between trans-oceanic terminal stations, such as New York and London. A conservative estimate of the time the newly-appointed operator needs to assimulate this knowledge is at least five years; and yet, due to the stringent requirements for accuracy, special experiance and speed standards, the average operator doesnot attain the maximum salary until his length of service exceeds ten years. The duties of a submarine cable operator call for a high degree of versatility not comprehended in the duties of our confreres in the Domestic branch of the service, as an aid in illustrating this fact we now list the different types of work performed in their respective operating rooms.

| SUBMATINE-CABLE | DOMESTIC LANDLINE |
|---|---|
| 1. Siphon-Recorder Reception | |
| 2. Klsinschmidt Pefforation | |
| 3. Continental Morse | |
| 4. American Morse | 1. American Morse |
| 5. Automatic Printer operation. | 2. Automatic Printer operation |
| (A) Multiplex Printer reception | (A) Multiplex |
| (B) Multiples Perforation | |

(C) Teletype Operation Perforation

(C) Teletype operation

From the above tables it is apparent that in the Submarine-Cable field are found not only the same types of work as in the Domestic field, but also OUT-STANDING TYPES OF WORK, THE NATURE OF WHICH IS SO IMPORTANT AS TO STAMP UPON THE COMPANIES THE VERY NAME BY WHICH THEY ARE KNOWN TO THEIR PUBLIC, VIZ:-

C A B L E  C O M P A N I E S

To enlarge upon these types of work found only in the Submarine Cable Operating Room:-

Foremost and paramount among the qualifications of the skilled Cable Operator is the operation of the Submarine-Cable-Siphon-Recorder System which, for the past 50 years or more has been, and still is, the primary medium through which all north and south transatlantic and Cis-Atlantic cablegrams are received and transmitted.

Shown here is a non-technical description of such operation prepared for public information by one of the outstanding Cable Companies.

HOW CABLEGRAMS ARE SENT AND RECEIVED

Ask the average man what he knows about cablegrams, and he will probably reply that they cost like the deuce, or that a fellow moves a telegraph key over here and the man at the other end deciphers the message by watching a flickering light in a mirror, or something like that.

The facts are quite surprising: a cablegram can be sent from New York to Great Britain and Ireland for as little as three cents a word; and all cablegrams are sent by automatic devices as pictured below. (Picture)

This shows a cablegram being prepared for transmission. A paper strip, perforated by operation of the typewriter keyboard is then passed through the automatic transmitter at the left. The holes in the tape correspond to the dots and dashes which are transmitted directly from the tape into the cable. Almost instantly the signals are recorded on a tape at the distant end of the cable. Cablegrams are regularly sent from New York to London and an answer received in less than four minutes. As many as four cablegrams may be sent and received at the same time over the same cable!

This shows a receiving operator at the distant end of the cable. A paper tape carrying a wavy lineautomatically passes from right to left before him at an average rate of two hundred and fifty letters a minute. This wavy signal line is deciphered as readily as you ro I would read a line of type and is then typewritten on the standard cablegram blank..These skilled operators use the touch system and can decipher and type cablegrams all day long with amazing accuracy.

This is a close-up picture of the siphon recorder - a delicate instrument which automatically writes the wavy signal on a piece of tape, shown below. The vertical divisions are

drawn in so that you may see how each letter is deciphered. Dots are represented by the undulations above the center line; the dashes below. The siphon that writes the signal is formed by bending a hollow glass tube no larger than a hair. This glass pen is moved by tiny currents sent into the distant end of the cable. As low as eight or ten volts will operate a cable. Contrast this with the voltage used on your radio set.

AN ACTUAL SPECIMEN OF SIPHON-RECORDER SIGNALS.

While it is not shown in the above printed description, it is a fact that the operation of a fast cable entails intense physical and nervous strain induced by the constant optical, mental and muscular concentration the Operator must put forth to KEEP UP WITH THE FIXED SPEED OF

1. THE MOVING PAPER TAPE ON THE RECEIVING SIDE.

2. THE AUTOMATIC TRANSMITTER ON THE SENDING SIDE.

As many of our special conditions, rights and other benefits, mutually agreed upon between the employers and recognized representatives of the cable staffs, have been established to compensate for the specific items in the foregoing review, we wish to assure ourselves of their continuance and, where in special instances such conditions, rights, benefits, and compensations have been changed or curtailed on the contention of economic stringency we desire, in the spirit of the N. R. A. Programme, that they be subject to full restoration at the earliest possible date.

In company with the Administrator of the N. R. A. we find ourselves disappointed and dissatisfied with the Temporary Code now in effect. And now having shown two separate and distinct sections in the Communications Industry we maintain that these two sections must be recognized and stipulated in any satisfactory settlement of a permanent Code.

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Deputy Peebles: How many employees do you represent, Mr. Dickin?

Mr. Dickin: The New York branch of the Commercial Cable Staff Association, of which I am chairman has at present 116 members.

Deputy Peebles: Do you represent the employees of anywhere else except the New York Branch?

Mr. Dickin: At times, if so requested by foreign staffs, certain foreign staffs.

Deputy Peebles: How are you organized in New York. I mean by that, is it an association similar to the Western Union Cable Employees Association? Are you affiliated with them in any way?

Mr. Dickin: There is no affiliation at all of our association with any other.

Deputy Peebles: Are the Pacific Coast Employees organized in any way? Are they represented here in any way?

Mr. Dickin: To answer that satisfactorily, I will say that in the past they have been, but at the present, and for some years, they are not. They have not been, and they are not, at present.

Deputy Peebles: But you do carry on negotiations with your employers for wage and hour situations, do you, through your present organization?

Mr. Dickin: Yes, we would; for wages, yes, sir. As

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regards to the hours, I am trying to recollect whether such a question has arisen or not.

Deputy Peebles: Well, have you carried on wage negotiations in the past?

Mr. Dickin: For individuals only.

Deputy Peebles: Oh, individuals only? But not as a group?

Mr. Dickin: No, not as regards any set figures.

Deputy Peebles: What I am trying to bring out is exactly how do you function? In other words, if an individual is dissatisfied, does he come to you as the chairman, to negotiate for him, or how do you function?

Mr. Dickin: Strictly speaking, if an individual is dissatisfied, he will endeavor to have the difference adjusted himself. Should he fail, he will then advise, he will submit the case to our association.

Deputy Peebles: Is your association recognized by the company?

Mr. Dickin: It is.

Deputy Peebles: Does the company help you in any way, give you the benefit of a hall or anything of that kind?

Mr. Dickin: To my knowledge, it does not help us in any way.

Deputy Peebles: You have not consulted with the company in regard to your remarks here today?

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Mr.Dickin: Nothing is more positive, sir.

Mr. Scott: How many total employees are engaged in the kind of business that you represent? The kind of occupation in the United States? What is the total number?

Mr. Dickin: In the United States? I can only provide an approximation.

Mr. Scott: Well, give us your best judgment on that.

Mr.Dickin: I understand you are referring to the Cable Division?

Mr. Scott: Yes.

Mr.Dickin: All members of Cable Division?

Mr. Scott: That is right.

Mr. Dickin: In America, the approximation -- the approximation I would set would be -- it is very difficult for me on that subject. I would say between 750 and 1000. I may not be correct at all.

Mr. Scott: That is, in the type of occupation, of those in the group which you represent here? That is what I am trying to get at.

Mr. Dickin: No. The people I particularly represent, you would have to cut that figure to -- that former figure I gave was erroneous. Answering the question, 600 to 700.

Mr. Scott: How many are there in New York, outside of the members of your Association?

Mr. Dickin: In New York?

Mr. Scott: Yes.

Mr. Dickin: People I represent?

Mr. Scott: Yes.

Mr. Dickin: I should say about 275, at least, possibly 325.

Mr. Scott: And your organization has 115, is that correct?

Mr. Dickin: Yes, employes of the particular group or the particular place where I am employed.

Deputy Peebles: Thank you very much.

Mr. A.J. Gould, of the French Cable Company has requested an appearance. Mr. Gould, will you identify yourself?

STATEMENT OF MR. ALFRED J. GOULD,

of the French Cable Employees Association.

Mr. Gould: My name is Alfred J. Gould. I am a member of the French Cable Employes Association. I have been delegated by the members of this Association to represent them at this hearing, and to cooperate with the delegates of the employes of the other cable companies. We agree with them that a special code should be written for the international communication industry. That is all.

Deputy Peebles: Thank you very much, Mr. Gould.

Mr. J. Cowhey, of the Mackay Radio Corporation.

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STATEMENT OF J. COWHEY,

of the Mackay Radio Corporation.

Mr. Cowhey: Mr. Administrator, Ladies and Gentlemen: My name is J. Cowhey -- James Cowhey. I have been delegated by the employees of the Mackay Radio Corporation, which is a subsidiary of the I.T.& T. to represent them at this hearing. The prime purpose and import of the NRA is to bring about a decided increase in purchasing power, through reduction in working hours without a corresponding reduction in wage, thus necessitating the reemployment of the many people now perhaps solely dependent upon a charitable organization for maintenance.

Men in the international communications business today are working the same number of hours per week that they worked for the past several years. No contribution, therefore, has been made toward the returning of normal conditions. In the radio field, as in the cable field, a substantial portion of the business handled consists of code messages, destined for foreign points. The circuits are automatic, involving the use of Kleinschmidts for the transmission of traffic, identical with those used in cable operations. Likewise, we have a recorder tape for the reception of traffic. The code used is also the same. In short, it would prove rather difficult to draw a line of demarcation between the two fields.

In conclusion, we wish to state that we concur in the

views held by the cable men's associations relative to conditions of employment and hours of work, to be incorporated in the proposed code.

Deputy Peebles: Mr. McDonald, of the Commercial Cable Company also put in an application. Is he to appear at this time?

Mr. McDonald: No, I do not think it is necessary, sir. I am secretary of the same organization that Mr. Dickin represents.

Deputy Peebles: Mr. Frank B. Powers, of the Commercial Telegraphers Union of North America, put in an application for an appearance.

STATEMENT OF FRANK B. POWERS,

International President of the Commercial Telegraphers Union of North America, headquarters, Chicago, Ills.

Mr. Powers: My name is Frank B. Powers, International President of the Commercial Telegraphers Union of North America, headquarters in Chicago, Ills.

The Commercial Telegraphers' Union of North America represents 25,000 employes of the Telegraph Communications industry, mostly in the traffic and plant departments. We have reason to believe that an additional 25,000 employes likewise desire representation, as indicated by letters in our files from officers of company union locals in some of the

largest cities of the country.

Those which we represent directly are either paid-up members, have given written proxies, or have indicated verbally at meetings or personally to organizers that they desired the Commercial Telegraphers' Union to represent them at this hearing.

In behalf of these employes we desire to make certain suggestions for a code of fair competition and fair practices, and to present certain facts bearing on the industry which have a definite relation to present conditions.

The organization which I speak for is a bona fide labor union, with an ancestry dating back to 1897. At that time the organization was known as the Brotherhood of Commercial Telegraphers. It was fostered by the Order of Railroad Telegraphers, which then held American Federation of Labor jurisdiction over both railroad and commercial telegraphs in the United States and Canada.

In 1902 the International Union of Commercial Telegraphers and the Brotherhood of Commercial Telegraphers both applied to the American Federation of Labor for a charter, to cover commercial telegraph employes of all classifications. The Order of Railroad Telegraphers voluntarily agreed to waive its jurisdiction.

In March, 1903, the two organizations amalgamated as the Commercial Telegraphers' Union of America, and the latter

was granted jurisdiction by the American Federation of Labor by charter. The Commercial Telegraphers' Union has been continually affiliated with the American Federation of Labor since that time.

I desire to place into the record the above facts, for the reason that various other organizations, company unions, are endeavoring to confuse employes about their status as bona fide labor unions. We are not claiming that an organization of workers can only be termed bona fide which is affiliated with the American Federation of Labor. But when employes are required to be regular employes of one specific company for not less than a year befre they are eligible to membership, to say nothing of official positions, that organization cannot be termed a bona fide labor union free from the influence of the employer. Nor can an organization which automatically removes from office any employe who is taken from the regular listk, although still a part-time employe of the company, be regardedas a bona fide labor union.

I would like to divert from the printed copy at this time to call attention to one paragraph in the official statement of the Western Union's company union which indicates very clearly that what I have said is true, based on their own words. This famous agreement that they made on July 25, 1918, provides in Article I.

"The company agrees to hereafter prefer for employment

those applicants for positions who indicate their willingness to become members of the Association."

For some forty years, the Commercial Telegraph Employes had tried to organize themselves in the Western Union prior to 1918. On July 10th, the Constitutional Convention was convened. I am reading from their own chronology of the association, and 13 days later their organization was effected. 13 days, to do the work that we has tried to do for forty years.

Their first agreement was negotiated two days later, on July 25th, and here is the significant thing, Mr. Deputy: On August 1st, 13 days later, the Western Union passed under Government control, and the law at that time provided that labor had the right to be recognized and bargain collectively. The organization was there. They were authorized to bargain collectively. I leave that to your judgment as to whether it was a company union or not.

Condition of Telegraph Employes. The telegraph industry has suffered from the worst management of any industry of which we have knowledge. We will present statistics prepared by the industry for the Department of Commerce and the Interstate Commerce Commission to support this statement. We do not believe the Interstate Commerce Commission reports show up all of the dark corners of the picture. However, the industry's inefficient management, cold-blooded disregard for the welfare of employes, and total lack of conception of what the New Deal

stands for, as shown in these reports, is clearly set forth.

The latest official wage figures available to us for the industry as a whole are for the year 1932, in reports to the Interstate Commerce Commission. These figures, however, are of little value, for the rate of compensation is given without regard for overtime or part-time employment. In normal times overtime is an evil of the industry, while in the past three and a half years, and particularly since the President's Re-employment Agreement, a large number of employees are working part time.

The aggregate monthly rate of compensation for 1932 for the two largest companies was $5,821,609; the number of employees as of June, 1932, was 63,073, and the average monthly wage, $92. All classes of employees, including officials and messengers, are included.

We sent out over 10,000 questionnaires last fall, and the average wage per month of 7,225 employees who replied was $91.57. Very few officers or messengers are included in this average. We offer this figure for what it is worth, but will later bring out data on minimum and maximum wages in typical cities which will show that conditions are materially worse than the above cited figures for 1932 would indicate.

The monthly maximum and minimum rates of compensation, as shown in these Interstate Commerce Commission figures for 1932 show the extremely high value which officials place on their

own services, and the low value of the services rendered by the employees. The spread between the salaries of officials and of employees is extraordinarily wide.

In the Western Union, for 1932, the maximum monthly compensation was $8,593 and the minimum $2. Permit me to reiterate that the figure $8,593 is compensation for one month, and $2 is likewise the compensation for one month. It might be claimed that the $2 compensation is for a messenger on part time, but by the rules of this company it would be possible for a messenger to place his services at the disposal of the company for from 100 to 200 hours in one month and still receive but $2 in commissions.

The average monthly compensation of 68 Western Union officials in 1932 was $8[illegible]9,55, and the averages for certain other classifications were as follows:

| | | |
|---|---|---|
| Managers, | 4,499 | $107.78 |
| Operators, | 11,511 | 104.26 |
| Clerks, | 9,311 | 87.66 |
| T. & R. | 1,802 | 167.61 |
| Messengers, | 11,433 | 34.72 |

Average all employees in 1932, $87.34 per month.

In the Mackay Companies, the maximum monthly compensation for 1932 was $1,718.76 and the minimum $3. In this company, the minimum could apply to expert telegraphers, as well as messengers, for in some cities no employee is certain of any

more time than the volume of traffic warrants, regardless of length of service. Operators are compelled to remain available in restrooms for eight hours or more a day. They are clocked in and out several times a day in order to obtain two or three hours of work.

The average monthly companies for five officials of the Mackay Companies in 1932 was $1,114.30 and the averages for certain other classes were as follows:

| | | |
|---|---|---|
| Managers, | 1,626 | $102.10 |
| Operators, | 3,714 | 87.25 |
| Clerks, | 2,044 | 68.90 |
| T. & R. | 291 | 128.11 |
| Messengers; | 4,822 | 31.76 |

Average for all employees in 1932, $75.77 per month.

Recently the Interstate Commerce Commission asked the telegraph companies to reprot the compensation of officers, directors and other persons receiving in excess of $10,000 during the year 1933.

All-America Cables, Inc. which had but 1,574 employees as of June 30, 1932, reported four officers receiving an average of $13,102 per annum. Two received in addition annuities of $34,200 and $12,487.56 respectively from an insurance company, the premiums of which were paid by the company.

Later on we will show by telegraph statistics that telegraph company officials are not worth a fraction of these high

salaries to the companies. But these are the executives who sit in luxurious offices and scheme new ways to get greater efficiency from $2 a month messengers, $56 a month managers and $70 a month automatic operators. They are most ingenious and resourceful in evading and nullifying provisions of the President's Re-employment Agreement. If they would devote some fraction of their energy and resourcefulness to improving conditions of the employees, and putting the telegraph industry back on its feet, we would not be so critical of high salaries. But it is inexcusable for an industry to divert pennies from the pockets of low-paid employees in order to maintan high salaries.

Telegraph officials are quick to draw attention of employees to the financial difficulties of the telegraph companies, stressing deficits to the utmost. We have yet to hear of any consideration given to the financial difficulties, or deficits, of any individual or group of employees who are trying to keep their families on starvation wages. On the contrary, employees have been placed on part time in order that the companies might meet their "fixed charges," as if food, clothing and shelter were not a fixed charge to the employee.

Conditions in Canada

Some telegraph officials frankky admit they are ashamed of conditions of telegraph employees, but say they are unable to do better. We will have more to say in regard to that later, but at this time we desire to put into the record the fact that

Canadian Pacific Telegraphs and Canadian National Telegraphs, which have operated under union agreements negotiated by the Commercial Telegraphers' Union for more than twenty years, have been able to do much better than companies in the United States. Not only that, but the telegraph departments of the Canadian Pacific and Canadian National have not been in the red all during the panic.

The minimum monthly rates of compensation for Canadian National employees, subject to a 15% temporary deduction, as shown in the wage agreement, are:

And I might say, Mr. Deputy, that we have a wage agreement and have had one for 21 years. These are minimum rates:

| | |
|---|---|
| Automatic operators, | $105. |
| Morse operators, | $110. |
| Clerks, | $70 |
| Office boys, route aids, | $45 |
| Mechanics, | $150 |
| Telephoners, | $85 |
| Plant chiefs, | $200 |
| Morse supervisors | $185 |
| Automatic supervisors | $210. |

Canadian Pacific rates are approximately the same.

Off the manuscript, Mr. Deputy, the Commercial Telegraphers Union opened its charter to messenger boys in 1928. Our constitution gives each subordinate unit the full autonomy to accept or reject members. No commercial division began taking messenger boys into their locals until about 1933. We have never placed their classification in our wage agreements, because, except for one revision, our agreement has remained the same since 1929, now, subject to a 15 per cent temporary deduction which all the organizations in Canada have now accepted.

Reasons for difficulties of employers. Also, Mr. Deputy, we have agreements with the Canadian-Marconi Radio, which covers Great Lakes, Ocean operators, and Trans-Oceanic

operators, but I did not know just how much attention you would pay to conditions in foreign countries, but if you would like to have copies of those agreements, I would be glad to procure them and file them.

Deputy Peebles: You might file them with me personally, because I would not want them in the record.

Mr. Powers: All right.

There are many reasons why the telegraph companies in the United States have found themselves in difficulties. One is excessive expenditure for plant and equipment. Another is unfair and ruinous competition. Still another is exceedingly bad management.

From 1917 to 1932, according to Department of Commerce and Interstate Commerce Commission statistics, telegraph companies (land and ocean cables) increased their investment in plant and equipment from $243,356,432 to $465,639,421, or 91.3%. During this same time, the total revenue messages transmitted decreased from 158,176,456 to 126,915,907, or 19.7 per cent. These figures for 1917 were compiled by the Department of Commerce and for 1932 by the Interstate Commerce Commission.

It might be claimed that no one could foresee the panic of the last four years. But the figures show that telegraph business began declining in 1928, from the peak of 1927, and continued to decline still further in 1929,

the boom year. Instead of heeding the warning, however, and curtailing expenditures in plant and equipment, telegraph companies added an additional $68,030,543 between 1928 and 1932 to plant and equipment investment.

The following table will show the steady rise in plant since 1917 and the equally steady decline in volume of business since 1927:

| (Dept. of Commerce) | Messages transmitted | Plant and Equip |
|---|---|---|
| 1917 | 158,176,456 | $2[illegible]3,358,432 |
| 1922 | 191,121,333 | 326,661,860 |
| 1927 | 229,582,433 | 426,698,742 |
| (Int. Commerce Com.) | Revenue messages | |
| 1928 | 228,379,152 | 396,808,878 |
| 1929 | 209,525,741 | 411,725,3[illegible] |
| 1930 | 184,637,029 | 450,223,3 |
| 1931 | 145,464,783 | 463,171,090 |
| 1932 | 126,915,907 | 465,639,421 |

Inasmuch as there was a comparatively small increase in wire mileage between 1917 and 1932, only 23.6%, the increase in plant and equipment undoubtedly represents automatic telegraph machinery and auxiliary equipment. Machinery installed ten and even five years has been replaced to a large extent by new machinery, the simplex tape machine now being standard equipment. Former equipment, known as the mux or page printer, is now obsolete.

How soon still new machinery or new methods of telegraphy will make obsolete the $465,000,000 investment in plant cannot be predicted, but we believe a considerable percentage of this investment should now be marked off to depreciation.

We have never opposed the installation of automatic telegraph machinery, and this part of our statement should not be construed as criticism of that method of telegraphy. We have included automatic operators in our wage agreements on leased wire (broker and press) users and commercial companies in the United States and Canada since 1912, and mechanics soon afterwards. In submitting these figures, and the conclusions we draw from them, we desire to substantiate our claim that unjustifiable diversions were made from telegraph revenues for plant and equipment at the expense of the employees.

The primary purpose of improved machinery is to reduce the cost of operation, and secondarily, to obtain better quality of product or improved service.

In the telegraph industry, the cost of operation increased almost in step with the increase of automatic machinery. The following table, based on Department of Commerce and Interstate Commerce Commission statistics, shows total number of messages transmitted, total expenses, cost of handling one message and production per employee.

| (Dept. of Commerce) | Employees | Messages | Expenses | Expenses per mesg | Messages per employee |
|---|---|---|---|---|---|
| 1917 | 64,723 | 158,176,456 | $91,871,159 | 58.0¢ | 2443 |
| 1922 | 68,632 | 191,121,333 | 127,990,615 | 66.9¢ | 2784 |
| 1927 | 81,498 | 229,582,433 | 159,153,244 | 69.3¢ | 2817 |
| Intst. Com. Comm.) | | Revenue Messages | | | |
| 1928 | 83,027 | 222,379,132 | 143,699,074 | 64.6¢ | 2678 |
| 1929 | 92,958 | 209,525,741 | 153,747,266 | 74,3¢ | 2254 |
| 1930 | 90,349 | 184,637,029 | 146,164,760 | 79.1¢ | 2043 |
| 1931 | 77,559 | 145,464,783 | 125,345,829 | 86.1¢ | 1875 |
| 1932 | 65,116 | 12[illegible],915,907 | 99,141,519 | 78.1¢ | 1949 |

Labor received some part of thisincrease in expense in 1922 and 1927, for the reason that telegraph tolls were increased 20% in 1918 for the specific purpose of enabling telegraph companies to meet increased costs of operation. Employees have long lost any advantages by wage cuts.

The figures shown in the above table need no interpretation. They present a clear picture of stupid and inefficient management. Employees in the traffic department are working at the highest speed ever known in the telegraph industry, but nevertheless the average messages per employee has steddily decreased, wages have decreased and expense per message has increased.

(Wages averaged $56.34 per month in 1917; $92.48 in 1922; $101.76 in 1927 and $92.29 in 1932).

Speed on the fast trunk circuits, such as New York-Boston, New York-Philadelphia and New York-Chicago, has been stepped up to an average of 100 telegrams per hour, and a maximum of 170 messages per hour. And we have a witness here who actually has worked on those hours. Allowing 15 words to the telegram, this means from 1,500 to 2,550 words per hour. Nevertheless, due to installation of machines on low-volume circuits, the need for greater supervision and maintenance in automatic telegraphy, and excessive cost of parts, to cite only three causes, the expense of handling one message has increased from 58¢ to 78.1¢ in fifteen years, and production per employee has dropped from 2,443 to 1,948 between 1917 and 1932.

Just why telegraph management indulged in this wild spending spree, even after the trend of telegraph business definitely turned downward in 1928, we do not know. Whatever the reason, the telegraph companies now find themselves loaded up with $465,639,421 in plant and equipment investment, which is worth but a fraction of that amount if efficiency and production figures are taken as a measure of valuation.

Very few persons will claim that the present-day telegraph machine, the simplex tape machine, has improved the quality of the telegraph product. The machine of a few years ago, which printed the message on a blank, has been replaced by the simplex. The simplex message is received on gummed tape, which is pasted on a telegraph blank. If the tape is not securely pasted, it becomes loosened and falls off.

Causes of Decline in Telegraph Volume and Revenue

1. Diversion of telegraph business to the air mail.

2. Competition of the American Telephone and Telegraph Co., both in long distance telephony and telegraphy.

3. Competition of leased wire users.

4. Radio broadcasting of market news.

5. Excessive taxation.

6. Preferred service given to large users of telegraph.

7. Unsatisfactory delivery service.

Air Mail

One of the causes of the decline in telegraph volume is the air mail. Subsidized to the amount of $16,000,000 last year, and in other years as high as $20,000,000 by the government, the air mail service has cut deeply into night letter telegraph traffic. Cities as far apart as 1,000 miles may be reached by a letter with an 8¢ postage stamp and 10¢ special delivery stamp at the same time that a night letter is delivered

A.T.&T. Competition.

Competition of the A.T.&T. long distance telephone has contributed to the decline in telegraph volume. In addition, the A.T.&T. is actively competing for long distance telegraph business. The A.T. & T., through its subsidiary, the Western Electric, has sold the telegraph companies so many machines that it is claimed that twice the present volume could be handled without increase in machine equipment. The prices charged for

machines have been variously reported as from $330 to $560. The testimony yesterday showed that this was the cost, and for a page printer is even higher. This is for the Simplex, so-called, Kelly typewriter, which prints by tape. Prices charged for parts are grossly exorbitant. From small screws to platen rollers, a charge of from 100% to 250% higher than similar articles can be procured in the open markets are made. Another witness will speak further on that.

The A. T. & T. has now gone into competition with its best customers, the telegraph companies. Using the same wires, and to some extent the same facilities, the A. T. & T. is giving telegraph service at a lower rate than for long distance telephone service. Every large user of the telegraph has been solicited to accept installation of a teletypewriter, which can be connected with other customers who likewise have been furnished with the machines. Rates are materially lower. For example, the rate for three minutes to telephone between New York and San Francisco is $9, and to teletypwrite three minutes, $2.40. The telegraph companies hawe been forced to meet this competition by soliciting customers for permission to install machines at considerable expense unless the volume warrants such expense.

The A. T. & T. makes a charge of 10% to telegrph companies for collecting telegraph tolls which are added to telephone bills.

If there are any other ways of levying a toll on their good customers, the telegraph companies, no doubt the A. T. & T. has done so.

Competition of leased wire users.

We have received many complaints from members of unfair competition by users of leased wires. Many large users of the telegraphs have leased wires from the A.T.&T. and are accepting telegraphic business from friends or business connections at lower rates than are charged by the telegraph companies. In one instance, which we know to be true but do not care to mention the name of the concern, at this time, telegraphic business is being accepted for certainlarge cities at the rate of 1¢ per work. We are endeavoring to obtain suitable evidence of this violation of the Interstate Commerce Act for presentation to the Interstate Commerce Commission.

A.T.&T. employees supervise, and often are out in, on these leased wires and are cognizant of this violation of the law. The A. T. & T. or other lessors of private wires should be held responsible for unfair and illegal competition and cut-throat practices of this character.

Radio Broadcasting of market news.

Before radio broadcasting stations began giving market news to the public, telegraph companies enjoyed a considerable volume of CND (commercial news department) business from brokers to elevator managers, stock buyers, etc. Practically all of

this businesshas now been lost. Three and four interested persons will hire a housewife or elevator manager to tune in regularly for the quotations.

Excessive taxation.

The Western Union reports that 27% of its net earnings in 1933 before interest went for taxes. A tax representing approximately a 5% increase in rates has been levied and passed onto the public, which has undoubtedly affected volume.

Preferred service.

Telegraph companies are giving preferential service to certain preferred customers, such as banks, borkers or other large users of the telegraph. This service is given at considerable extra expense. No extra charge is made, however, Standing instructions have been issued to employees that telegrams filed by certain banks, brokers or others must be transmitted ahead of public business. Clerical and operating personnel are assigned exclusively to these wires, and in some cases pneumatic tubes have been installed to these preferred customers, to expedite handling. Under ordinary conditions, the business of the public is not unduly delayed, but when storms have interrupted service, the delay to public business is blamed on unforseen emergencies or disasters, when as a matter of fact it is partly due to the handling of this preferred business.

Unsatisfactory delivery service.

Delivery service has been curtailed tothe general public.

Large users of the telegraph are given prompt delivery if located near a telegraph office, and in many cases machines or tubes are installed in their offices. Small or casual customers must accept their telegrams by telephone or wiat for delivery at the convenience of the telegraph company. This is particularly true in suburban and rural communities, where railroad offices have been closed.

So far as we can learn, telegraph companies have never protested to state public utility commissions against the closing of railroad stations, although each station closed means an additional commercial telegraph outlet and inlet closed, particularly to the Western Union, which has many railroad contracts.

Within the past few weeks we have had opportunity to check up on this statement with some eighty Order of Railroad Telegraphers' general chairmen in this city, who have vigorously protested the closing of railroad stations.

Reasons for Increased Cost per Message.

1. Use of automatic machines on low-volume circuits.

2. Additional supervision and maintenance required for machines.

3. Unnecessary erection of costly buildings in New York and elsewhere.

4. Excessive rents and luxurious branch offices.

5. Exorbitant salaries to officials, and excessive number

of executives.

6. Extra cost of handling preferred business.

7. Increased cost of delivery to smaller cities and towns

8. Unprofitable hook-ups with gas stations, bus and air line companies and florist associations.

Machines on low-volume circuits.

Automatic telegraphy is approximately 50% faster than Morse on heavy volume circuits, according to a study made by the Department of Labor and printed in the March, 1932, issue of the Montly Labor Review. But when machines are installed on low-volume circuits, as has been done during the past four years the speed is not a consideration. The overhead, supervision and maintenance of the machines, however, is a continuing charge, whether the volume is there or not. Therefore, the cost per message increases in ratio to the decline in volume. It is generally considered that automatic machines are more economical than Morse on a circuit averaging 300 messages per day.

That the telegraph companies have finally reached this same conclusion is indicated by some charges from machine to Morse within the past year.

Costly buildings, and excessive rents.

During the past decade telegraph companies have spent enormous sums in the building of offices in New York and other cities. One reason given for need of additional space is the

fact that machines and auxiliary equipment require greater floor space. However, needlessly expensive and luxurious buildings were erected, which we understand are white elephants on the industry. Ornate branch offices were opened in every large city. Leases were signed for long terms at peak rentals for these offices. Attempts have been made to obtain releases from these leases, but not always successfully. We understand rents as high as $2,700 per month for branch offices are being paid in certain large cities, whereas the revenue never justified such rental even in boom times.

Exorbitant salaries to officials.

Along with these extravagances can be added the exorbitant salaries paid to salaries and the retention of unnecessarily large numbers of executives. We have quoted from government statistics elsewhere to show the basis for this statement. Despite drastic reduction in telegraph volume, the number of executives remained the same, and in some cases actually increased.

Cost of preferred business.

The cost of handling preferred business for preferred customers is greater than that for handling ordinary business for the public. Extra clerical, operating and delivery service is required, and in some cases pneumatic tube installations and private telephones are installed. Certain special services at special low rates are made for preferred customers, which will be described in detail by witnesses who will follow me.

Increased cost of delivery.

With the closing of more than 2,000 railroad telegraph offices during the past two years, and more than 10,000 offices in the past ten years, the cost of handling telegrams to and from smaller cities and towns has increased considerably. The long distance is used frequently, sometimes more than once if the party cannot be located at the first call. In many cases the total revenue received does not fake care of the cost of telephoning delivery to the consignee.

Unprofitable hook-ups.

Another unproductive and expensive method of obtaining telegraph business is the hook-up with gas stations, bus and air line and florist associations. After paying commissions, telephone tolls and delivery costs, the revenue of times is less than the cost of handling the business.

In closing this portion of our brief, showing causes for the plight of the telegraph companies, we believe we have presented an indictment of mismanagement, shortsightedness and cut-throat competition, as well as stupidity, which can hardly be equalled in any other large industry.

Proposals for amendments or substitutions in co

We desire to submit the following suggestions for additions, substitutions or delections of clauses in the code proposed by the Telegraph Communications industry.

Age Limit. (Article II.)

"No telegraph company shall employ any person under the age of 17 years of age."

As will be shown by a report of the Department of Labor, Children's Bureau, the messenger, who is almost exclusively affected by this clause, is engaged in a hazardous occupation. We will discuss other reasons for this limit later on.

Hours. (Article III.)

"Not to work any employee more than 36 hours in any one week, nor more than six consecutive hours in any 24 hours. The maximum hours fixed shall not apply to employees in managerial, or executive capacity who receive more than $300 per month. No service operation shall be reduced below 52 hours in any one week unless such hours were less than 52 hours per week prior to July 1, 1933, and in the latter case the hours shall not be reduced at all, except where business is suspended and the office closed, or where offices are temporarily opened and closed to meet seasonal or emergency conditions."

Under the PRA telegraph companies were permitted for work employees 48 hours per week over a four-weeks period. This provision was declared to be "wholly unsatisfactory" by General Johnson in the following words:

"The hours and wages here are wholly unsatisfactory and there are other circumstances which require an immediate public presentation."

It would be interesting, to say the least, to know the

full story of how the telegraph communication industry squirmed and stalled for seven long months to avoid this public hearing. And, disregarding entirely the rebuke of the administrator, the code which is here proposed gives permission to work employees 48 hours a week over a period of thirteen weeks. If the PRA provision was wholly unsatisfactory, it is a question as to what language the administrator would use to describe this proposal. Under the 13-weeks provision, employees may be employed for 60 hours a week for ten weeks, and then laid off for three. There is no possibility of additional employees being required under this provision. We contend that each week should be treated separately and that no employee should be required to work more than 36 hours in any one week, nor six hours in any 24.

Overtime.

"No overtime shall be worked except in case of unforseen emergencies which could not possibly have been provided for, such as complete destructionof wires by storm. Emergencies shall not include conventions, sporting events, etc. Time and one-half shall be paid for emergency overtime, and for the following holidays: New Year's, Memorial Day and Thanksgiving. Double time shall be paid for Christmas, Fourth of July, Labor Day and Sundays."

Deletion of certain exemptions in Article III.

This article of the proposed code would exempt from the

maximum hours provision all employees in cities or towns or isolated places where not more than three employees, exclusive of messengers, are engaged. This exemption would remove a great many offices from the provisions of themaximum hours clause for only in the larger cities are there more than three employees exclusive of messengers. We propose that this exemption be removed.

The President's Re-employment Agreement has not resulted in any noticeable relief of unemployment among telegraph employees. We believe that where additional employees have been taken on, it has been due to increased flow of traffic, and not because of the 48-hour week.

Our reports show that the maximum hours provision has even resulted in the lengthening of hours of some employees. It has been the custom of the trade for generations that late night employees should work seven hours and early night employees seven and a half, exclusive of lunch period. Many reports show that a straight eight-hour shift has now been substituted to avoid the necessity of employing additional help.

The Census Bureau of the Department of Commerce shows a total number of 81,498 employees in land and ocean-telegraph systems in 1927. Interstate Commerce Commission figures for June, 1932, show 65,115, or a loss of 16,382 between those compared with 1929, when total employees were 92,958.

Telegraph companies up to this time have not assumed any

share of the general problem of unemployment. Making due allowance for the decline in telegraph business, there has been no evidence of the assumption of any responsibility for relief of unemployment by telegraph companies. On the contrary, remaining employees are pushed to do more work; machines and concentrators have been installed which opportunities for employment and add tothe work of present employees.

We propose that if a 36-hour w eek is placed in this code, employees shall not be permitted to work overtime except in the case of unforseen emergencies. Unless the telegraph companies make this contribution to the solution of the unemployment problem, there is no possibility of the 16,000 unemployed telegraph workers regaining employment in this industry.

When we speak of "unforseen emergencies", we mean for example the complete destruction of wires by storm so that rerouting is not possible. Sporting events, conventions, inaugurations, etc., should not be regarded as emergencies requiring overtime. Part time or unemployed telegraph workers should be employed for these occasions. Likewise the practice of employing outside telegraphers, who have regular jobs, for overtime should be prohibited.

We can cite instances of employees working 14 and 16 hours in 24 during a convention or similar event for which arrangements could have been made in advance for the employment of unemployed and starving workers.

Messengers should be included in the code as to hours, wages and all other provisions.

Minimum wage. (Article LV.)

The minimum wage proposed by the telegraph companies should be the minimum wage for messengers, provided that the differential of $1 per week decrease for southern states, including District of Columbia and Louisiana, be deleted.

Minimum wages of employees to be covered as follows:

"(a) Not to pay any employee less than the following rates:

"In any city of over 500,000 population,

| | |
|---|---|
| Automatic operators, | $150, per month. |
| Morse operators, | $155 per month. |
| Clerks, | $115 per month. |
| Mechanics, | $195 per month. |
| Telephoners, | $130 per month. |
| Plant chiefs, | $230 per month. |
| Supervisors, | $175 per month. |
| Messengers, | $65 per month. |

"In any city of between 250,000 and 500,000 population,

| | |
|---|---|
| Automatic operators, | $135 per month. |
| Morse operators, | $140 per month. |
| Clerks, | $100 per month. |
| Mechanics, | $180 per month. |
| Telephoners, | $115 per month. |
| Plant chiefs, | $220 per month. |

| | |
|---|---|
| Supervisors, | $160 per month. |
| Messengers, | $ 65 per month. |

"In any city of between 2,500 and 250,000 population,

| | |
|---|---|
| Automatic operators, | $120 per month. |
| Morse operators, | $125 per month. |
| Clerks, | $ 85 per month. |
| Mechanics, | $165 per month. |
| Plant chiefs, | $100 per month. |
| Supervisors, | $145 per month. |
| Messengers, | $ 61 per month. |

"In any city of less than 2,500 population,

| | |
|---|---|
| Automatic operators, | $105 per month. |
| Morse operators, | $110 per month. |
| Clerks, | $ 70 per month. |
| Mechanics, | $150 per month. |
| Telephoners, | $ 85 per month. |
| Plant chiefs, | $200 per month. |
| Supervisors, | $130 per month. |
| Messengers, | $ 52 per month. |

By way of passing, Mr. Deputy, a great many codes I have perused do provide a minimum rate for the various classifications. The Typographical is one that I have in mind.

Deputy Peebles: I know that is a fact.

Mr. Powers: "Employees classified or rated for certain duties on June 16, 1933, and still doing the same type of work, whether by machine or Morse, for example, shall not be reclassified so that earnings are reduced.

"Any employe who is required to report for duty shall be paid half time at his regular rate while awaiting assignment to duty.

" Employers shall not require employes to purchase, rent or maintain uniforms, bicycles or other equipment required by the company."

We propose that the minimum wage provided for in the President's Re-employment Agree be made applicable to messengers, and that other classifications be rated as set forth above.

The differential of $1 per week less for certain southern states, including the District of Columbia and Louisiana, should be removed from the minimum wage clause. Telegraph companies receive the same rates for service to and from these states. The differential is unjustified and unfair to employes in the South and in the District of Columbia. The work performed is identical in every classification with that perform-

ed in other states, and the revenue to the company is the same.

Whether the employee be a messenger, a clerk, an operator or a plant man, the duties are identical in the south with the north, for in many instances the employees work together on the same wire. Bookkeeping methods are identical, plant maintenance and duties the same, and there should be no differential for identical work.

As for the cost of living argument, which should not be given any consideration at all, but which labor finds it necessary to combat on every occasion, there is no difference between the north and south so far as telegraph employees are concerned. Telegraph employees are located only in the larger cities, and suburbs thereof. A city large enough to warrent a telegraph office is usually a city of at least 10,000 population. Cost of living in cities of 10,000 or over in the south are comparable to the cost of libing in a similar city in the north. Just why a state like Louisiana, with the largest metropolis in the south contained within its border, should be included in the differential is hard to understand.

In certain resort cities of the south, as well as in New Orleans, we believe an upward differential instead of a downward differential should be allowed. In Florida, Gulf of Mexico, Texas and Arkansas resorts and health centers, the cost of living is much higher than in citiesof similar population in the north.

If it is regarded as essential for some reason by the National Recovery Administration that a differential downward in wages be made for southern states, we propose that this differential not be applicable to cities of over 10,000 population.

Messengers.

At the present time messengers are exempt from the hours and wages clauses of the President's Re-employment Agreement, and the proposal for a permanent code continues this exemption. Messengers are entitled to a minimum wage which will afford them a living wage, for while we propose an age limit of 17, the average age is now between 18 and 20. Family men unable to continue at their regular occupations because of age or other reasons, such as clerks, operators or other employees, are glad to secure employment as a messenger. If a minimum wage is established which would provide even a meager existence, more of the older men would take these jobs.

This occupation can no longer be called a boy's job. As will be shown by a report of the Children's Bureau, Department of Labor, it is a hazardous occupation. They rent their uniforms, buy and maintan their own bicycles, motorcycles or automobiles, and receive as low as 15¢ a day for a day's work, or $2 and $3 per month, as shown in ICC figures for 1932, quoted heretofore.

Tips are very scarce, and at any rate should not be re-

garded as part of wages. Tips are not wages, but a personal matter, dependent on extra service and the personality of the messenger.

Reclassifications.

Many employees have been reclassified since June 16, 1933, and Aug. 30, 1933 (when the PRA became effective). This has had the effect of removing some entirely from the provisions of the PRA, increasing hours and reducing wages thereby. For example, cities where more than three employees have been employed have been reduced in personnel so that not more than three employees are employed. Another example is the reclassification of route aides as "inside messengers," although heretofore considered as clerks and apprentice operators.

Managers have been taken from the wage class entirely and put on commission. This has only recently come to our attention, and as a supplement we will quote from the instructions of the Postal Telegraph-Cable Co.

Other managers or operators have been reclassified or eliminated entirely by reason of change from method of operation, from Morse to machine, or from machine to telephone.

For these reasons we contend that definitions or classifications which existed on June 16, 1933, shall be retained, and that wages which have been disturbed by reason of such reclassification since June 16, 1933, shall be restored.

Adjustment of disputes with employees.

To insure stabilization of employment, and continuity of service; to advance co-operative relations as between labor and management; to guarantee collective bargaining, and to provide means whereby management and employees, through representatives of their own choosing, shall confer on problems dealing with wages, hours, working conditions and the positive side of service, we propose the designation of a Director of Industrial Relations.

He shall be chosen from nominees made by the American Federation of Labor, the International Brotherhood of Electrical Workers and the Commercial Telegraphers' Union of North America.

The function of the Director shall be to provide ways and means for the effectuation of the above principles in accord with experience and practices in those industries where collective bargaining has been set up and practiced successfully. The first duty of the Director of Industrial Relations shall be to create a national council of industrial relations, composed of equal numbers of employers, or their representatives, and of employees, or their representatives, and shall not exceed fourteen members.

Conferences shall be mandatory, as between management and employers, at all such conferences and employees shall be represented in equal numbers by representatives of their own choosing, without interference, influence, or coercion, in any

degree whatsoever, either by officials, sub-officials, foremen or their agents.

If any dispute of any character cannot be adjusted by conference, they may be sent to regional councils on industrial relations. Regional councils on industrial relations shall be composed of equal numbers of employers, or their representatives, and of employees, or their representatives. Decisions shall be made in the light of research and statistical data, and shall be unanimous.

Arbitration shall be by three persons, one chosen by each of the disputing parties, and the third from a panel of six agreed upon by both disputing parties. When disputing parties elect to accept arbitration before any board, or council, regional or otherwise, they shall do so by submitting written forms, agreeing to abide by the decision rendered.

Thirty days written notice shall be rendered by employers or employees of any change in rules, wages, hours, working conditions or of other matters coming under this code.

No employer shall utilize funds to organize, advance the interest of, or aid workers' mutual associations, pension societies, insurance groups, recreation, amusement, or welfare clubs or other substitutes for bona fide employee organizations.

Conclusion.

Before closing this portion of our statement, we desire to call attention to one company, the Postal Telegraph-Cable Co.,

which has a lower wage rate on the average than the other companies. The Postal claims it is not financially able to pay higher wages or grant better conditions.

Prior to the acquisition of the Postal by International Telephone and Telegraph Co., in 1928, the Postal was able to show a profit because of the fact that the management concentrated on revenue-producing business between the larger cities, and on the profitable cable business.

The policy of attempting to compete for unprofitable business in cities which the Postal does not reach directly has increased costs unduly. We hold that a great deal of the blame for the deplorable condition of telegraph employees is due to the unfair advantage that the Postal has over the Western Union, through the payment of low wages and other practices, at the expense of the employees.

In addition, while the rates of both companies on interstate business are identical, on intrastate business the Postal rates are 20% less. This is unfair competition.

Statements by employees.

We desire to submit the following extracts from statements of employees, who desire that neither their names nor the localities they work in be divulged.

Each and every one have made that request, and one put his name on an outside slip and told me to destroy it and not keep it in the files.

From a city of 150,000 in South. (Postal)

"Fourteen operators here are on a six-hour day, two weeks on and two weeks off, working three hours in the morning and three in the afternoon. Nineteen are on a six-hour day and twelve on a four-hour day. Ten operating room messengers (formerly route clerks) receive a minimum of $5 per week. Nearly all operators are rated at $58.70 per month, which is the minimum of $13.50 a week. They had to raise three clerks. Top rating for a mux operator is $82 less 4%, and top for a Morse operator is $96, less 4%."

Deputy Peebles: What is the date of that message?

Mr.Powers: I did not jot that down. They varied between October and March.

Deputy Peebles: Is that a recent message?

Mr. Powers: This one from the City of 150,000 in the South, as I recall it, was just a month or so ago.

"We received a bulletin recently that all operators must improve their production or be laid off, which is contrary to the FRA, and all employes must solicit business while off duty. Traffic chiefs, supervisors, service clerks and wire chiefs all work on wires, eliminating operating time."

From a city of 750,000 population in West. (Postal).

"The number of hours -- 48 hours per week -- is the same as in effect before the signing of the PRA, with very few exceptions, and I personally know that no additional employees were put on in this territory. In addition to this the assigned hours for traffic department employees have recently been changed for those working nights. Formerly night workers were assigned to a spread of eight hours with half an hour for lunch and two short reliefs, making actual working time of seven hours, or if shorts are not counted out -- and they should not be -- 7½ hours. Now everyone is working eight actual hours, if on full time. In this way they have increased the working time without any increase in pay.

"During the last few weeks three offices have been closed here and the employees at those offices were simply dropped without any regard for the time they had worked for the company. One office manager had been working for the company fourteen years."

A City of 250,000 in South (Postal)

"The Postal is saving money under the PRA code. Where some employee had been working only seven hours on third trick, and others working eight hours, under the PRA all have been raised to eight hours.

"The Postal has actually created a saving, as far as this division is concerned, under the PRA. There were only a few instances of raises in order to meet the minimum requirements,

whereas there was quite a bit of saving in overtime cut off from the employees by juggling of hours and working time. In this office there were raises in the amount of about $78 per month, while there was a saving in overtime previously worked by wire chiefs and T. & R. men of about $150 per month. Change of hours of work was responsible. No additional help hired."

A City of 50,000 in South (Postal).

"Some few years ago this writer was told by an examining physician that ten years could be added to my life by following his instructions. I replied that if they were all like the last ten years I did not want them. That is exactly how we feel about the contemplated permanent code filed by the telegraph companies. If it's like thetemporary code, we don't want it.

"This office, prior to the President's Re-employment Agreement, had a total traffic payroll of $570. Since the Fall the total traffic payroll is $550 monthly, or a saving of $20 per month."

A City of 150,000 in the East. (Postal)

"In the commercial department, twelve employees (clerks telephoners and billing clerks) were raised from as low as $30 per month to about $82; however, shortly after the first of this year two clerks were released, and along with elimination of overtime which had previously been paid for Sunday work, the company had a saving in wages of about $20 per month.

"In the traffic department, route aides and file clerks were raised to the minimum wage, but put on a five-hour daily basis, and the company is expending the same wages as before they were compelled to raise to the $62 rate.

"Morse operators were put on a seven-hour day on Feb. 1, 1934, with a corresponding reduction in income. One repeater attendant was relieved, with a saving to the company of $115 per month. One automatic operator receiving $62 per month was released, thereby resulting in a net increase of $20 per month by reason of route aides now receiving $82 per month.

"To sum up, since the PRA went into effect there has been a net loss of five employees, and a net loss of $250 per month in wages paid to employees. This situation is all the more revolting in view of the fact that this office since the first of the year has shown an average increase of 26% per month in business handled up to March 15, 1934."

City of over 300,000 in West (W.U. and Postal).

"The PRA, under which the Western Union and Postal are at present functioning, should be revised before being made into a permanent code.

"Managers, chief operators and others in a supervisory capacity should be enjoined from receiving bonus payments for holding expenses below the designated budget limitation. That practice, more than anything else, is responsible for the great difference of wages, especially between the Western Union and

Postal.

"Try for a salary raise where that practice prevails and see how useless it is, as it cuts into the bonus payment of the supervisory employee. Naturally every effort will be made to pigion-hole any request for increase in pay.

"In some states messengers' salaries automatically increase up to a certain figure. Automatically also, the higher priced messengers are discharged to make way for a new batch who can be hired to begin the cycle at the lowerd figure."
City of 25,000 on West Coast. (Postal).

"I receive $86 per month and work 64 hours a week in a one-man office. No additional time is given for four hours on Sundays, and twelve hours daily. No vacation, no sick-relief, or any other type of relief. Have worked daily without a day off since August, 1931, with 16 to 20 hours daily during certain months of the year."
Small city in Middle West. (Postal).

"I worked 62 hours a week for $75 per month. My messenger works 54 hours a week for $15 per month, a cut from $30. Out of the $15 he must pay 6¢ a day to the company for uniform rent, leaving him 54¢ a day to maintain his bicycle and live on."
A large city in the West. (Postal).

"I average between $71 and $85 per month. You can readily see it has been humanly impossible to maintain my home, feed and clothe a family of seven. I pay $14.50 per month rent and

$5 for gas and electricity. During 1933 I had to ask for assistance through the county welfare, which hurt me terribly. During May, 1933, they must of checked my record with Postal and found I was working, and my check was stopped. Imagine what the business world would think of a Postal telegraph employee on county aid while working in their service. So I believe they had it stopped. However, during the last community chest drive, an official of the company approached several of my very best friends in the commercial department and they tell me that he said: "You know the community chest is a great thing. Take the case of -----. He has five kids and the chest helps him along." God, this hurts, and I have had a hard time to control myself, but I must think of my family and my obligations."

Small city in middle west. (Postal).

"This office is one of their many one-man offices. Hours, 64 per week. Salary previous to this commission arrangement, $32.50 per month.

"The commission plan is as follows (quoting from superintendant's letter):

"'Effective March 1st, 1934, all domestic telegraph receipts, which includes 25% of cablegrams and radiograms, up to $150 monthly will accrue to the manager, plus 50% of such receipts for the next $100 and 25% of receipts thereafter. The manager will pay all expenses such as rent, light, heat, telephone, postage, messenger's wages, etc., with the exception of

telephone expense known as telephone transmission tolls covering the telephoning of messages to points outside of ----- and which expense will be paid by the company.'

"If this commission plan had been in effect during December, January and February, I would have received $55, $54 and $68.50 respectively."

Large city in south. (Postal).

"The top salary for Morse hereis $121 per month, a cut from $165, and the minimum $65, but this man only making half time. Top for automatic operator is $72 and minimum $65 per month."

Small city in West. (Postal).

"I am a manager receiving $72 per month, which has been cut from $120 since Oct. 1, 1933. I am employed full time (and how!) -- 84 hours a week -- 12 daily during the week and 10 on Sunday. Note that I was cut 40% since Oct. 1, 1933."

(Every one of these letters are dated since the PRA agreement.)

Summary of "Accidents to Telegraph Messengers)

(Children's Bureau, Department of Labor).

1. In normal times the Western Union and the Postal Telegraph Co. employ in the United States between 18,000 and 20,000 messengers.

2. The occupation of telegraph messenger is primarily a boy's job, and is held chiefly by boys under 17. Available information indicates that before the present depression about

one-fourth of messengers employed by the telegraph companies were under 16 years of age, and about one-fourth were 18 or older. Since 1928 the tendency has been not to employ so large a proportion of younger boys.

3. Approximately two-thirds of the messengers use bicycles in their work, 30% deliver and call for telegrams on foot, and 4% use motorcycles or automobiles.

4. Foot messengers suffer the fewest accidents in proportion to the number employed; motorcycle messengers, the most. The ratio of lost-time injuries of Western Union messengers (the largest group), and 44 per 100 for motorcycle messengers. Information for the Postal Telegraph Co. indicates the same trend.

5. Because of their exposure to injuries motor vehicles, which are among the most serious causes of occupational accidents, the occupation of telegraph messenger, especially of the mounted messenger, is a hazardous one. Falls were the chief type of accident to foot messengers. Motor vehicles were found to cause the largest number of accidents to messengers in general and also to bicycle, to motorcycle, and to automobile messengers. Fifty-five per cent of the injuries to bicycle messengers had resulted from the bicycle's being struck by or colliding with an automobile or truck and 38% had resulted from some accident to the messenger's bicycle, frequently indirectly caused by motor traffic. The comparatively small group of

motorcycle and automobile messengers are afforded some protection by regulations in effect in a few states prohibiting the employment in the operation of motor vehicles of young persons below a specified age which is higher than the minimum age for general employment, and by laws prohibiting the licensing of minors (usually under 16 or under 18) as operators of motor vehicles. Bicycle messengers, the largest group of telegraph messengers, and one whose ratio of vehicular accidents is high, receive no special legal protection against the hazards of their occupation.

6. Night work for telegraph messengers is common. Although a few states prohibit the employment of minors as night messengers, in general, messengers are afforded less protection against night work than are minors in manufacturing and mercantile employment. Few of the messenger boys who had been injured at night were employed in violation of the child labor laws of their states.

7. Under theemployees' benefit plans of the Western Union Telegraph Co., injured employees may fare better as to accident compensation than do other persons injured in industrial accidents; these plans provide that, except in cases in which the accident is due to the employees' negligence, he receives full pay from the time of accident, at least for a considerable period, and not merely the amount of compensation to which he is legally entitled under the state workmen's compensation laws. In the

case of a considerable number of messengers, however, indemnification is not so speedy andnot so certain. Large numbers of messengers are injured as a result of accidents caused by, or at least involving a third party and many of these elect to hold the third party liable rather than accept the legal compensation or company benefits. In most of these cases no payments are made them pending settlement of the claim against the third party, although if the minor sues the case may be in the courts for years.

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Report of investigation of wages paid minor employees of Western Union and Postal of Minneapolis, by Division of Women and Children, Minnesota State Industrial Commission.

"St. Paul, Minn., July 20, 1933.

"To the Honorable City Council,

"Minneapolis, Minn.

"Gentlemen:

"In compliance with your request of June 30, for an investigation of wages paid minor employees of the Western Union Telegraph Co. and the Postal Telegraph Co. of Minneapolis, I am submitting a report of our findings as far as they relate to the State Minimum Wage Law. These payroll audits were made by the Division of Women and Children, which is charged with the enforcement of minimum wage regulations.

"Western Union. The Western Union employs 135 messengers,

15 of this number being 21 years of age or over. One hundred twenty of these minors are on a part time basis, working 4, 5 and 6 hours a day. One hundred six are paid 16 cents per hour and are employed less than 36 hours a week, earning, therefore, from $4 to $5.40 per week. A number are paid 19 cents per hour, while four are paid 25 cents per hour for a week of at least 48 hours. An inquiry as to the reason for paying these four 25¢ per hour resulted ininformation that these boys were employed in downtown office buildings and their customers had gotten up petitions requesting that they be given full time employment and thus be paid the full minimum of 25¢ per hour.

"Our minimum wage order applies only to hours in excess of 36 per week. There is no wage rate fixed for minors employed less than 36 hours, and firms employing such minors less than 36 hours in a calendar week are not subject to the regulations of the minimum wage order. Therefore, no violations of the minimum wage order were found. The payroll was checked from Jan. 1, 1933, to July 1, 1933.

"The Western Union messengers are charged a rental fee of 1 cent an hour fortheir uniforms with a maximum charge of 85¢ for a bi-monthly period. This is the policy of the company throughout the United States. The company purchases the uniforms and keeps them clean and in repair. This includes the entire outfit from puttees to caps. Messengers of the Western Union are required to provide their own bicycles and keep them

in repair, in accordance with a policy of the company throughout the United States.

"Postal Telegraph Co. The Postal Telegraph Co. employs 57 messengers, four of whom are 21 years of age or over. Fifty-one are paid 16 cents per hour and with few exceptions work less than 36 hours a week. Fourteen cases of violations were found where messengers had worked between 36 and 48 hours a week and were not paid in accordance with the minimum wage order, which requires the payment of the full minimum where the hours are in excess of 36. Thus small adjustments are due these 14 minors. We have the assurance of the company that these will be paid promptly. The Industrial Commission always checks on cases of uppaid minimum wages and requires receipts to be filed wth this office indicating that the discrepancies have been corrected by reimbursing in full such minors as are not paid in accordance with our minimum wage order.

"The Postal Telegraph Co. charges 6 cents for a day of eight hours with a minimum of 36 cents per week for the use of their uniforms. Where the number of hours is less than eight per day, only three cents per day is charged with a minimum of 18 cents per week. The Postal Telegraph Co. likewise requires their messengers to provide bicycles and to keep them in repair. They have made arrangements whereby the repaid company does this work at a moderate charge, and where tires may be purchased at wholesale.

"This payroll audit covers a period from Jan. 1, 1933 to July 15, 1933."

"Respectfully submitted,
"Florence Burton, Sup't., Div.
of Women and Children,
"Minnesota State Industrial
Commission."

"That is the end of my statement."

Deputy Peebles: I would like to ask you some questions. You stated the Commercial Telegraphers Union of North America represents 25,000 employes. Are they solely in the United States, or does that include other employes in other countries?

Mr. Powers: Only employees of the two large companies, and Mackay.

Deputy Peebles: Located in the United States?

Mr. Powers: Yes.

Deputy Peebles: In the United States proper?

Mr. Powers: Yes.

Deputy Peebles: And does not include any of your members who might be in Canada?

Mr. Powers: No, nor leased wire operators.

Dr. Hettinger: I am very much impressedwith your statement, and it is obviously the kind of one that will call for analysis before one can feel certain of his grounds, but there are two or three points I want to raise. The first of them was your statement with respect to the increase in plants and facilities of $69,000,000, which, I believe, you suggested implied pretty bad management -- do you recall how that was split between the years since 1929?

Mr. Powers: It is shown in the table.

Dr. Hettinger: My impression is that the bulk of that occurred between 1929 and 1930. Is that correct?

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Mr. Powers: Yes. From $411,000,000 to $450,000,000.

Dr. Hettinger: How much thereafter?

Mr. Powers: From $450,000,000, up to $465,000,000 in 1932. $13,000,000, between 1930 and 1931.

Dr. Hettinger: The bulk of that between 1929 and 1930, and at that time the President of the United States had requested all industries to add to plant and facilities as much as possible, as a measure against the depression. Would you feel the first half of that was inimical to labor or not?

Mr. Powers: Following out the suggestion of the President of the United States, the company should have given first consideration to the employes, and what effect plant and equipment would have on the condition of the employes. I do not believe they gave sufficient consideration to that angle, and I do not believe they have ever felt employes are deserving of first consideration before dividends or interest payments are paid.

Dr. Hettinger: The second point I wanted to raise was the fact that you have definitely stated that you believe that the management have been inefficient. Would you couple with that or would you not, a belief that unfair or bad trade practices exist within theindustry, which, if corrected, would leave additional revenues available for labor?

Mr. Powers: I throughly agree with that idea, that unfair trade practices and unfair competition have been a decided factor in the plight the telegraph companies find them-

selves in. That includes unfair competition and unfair practices on the part of the United States Government, with their insistence on 40 per cent less rate than the regular rate, and their policy of subsidizing the air mail to such a great extent.

Dr. Hettinger: The third and final point is this, as nearly as I can make out, roughly about 65 per cent on the dollar, or within speaking distance of that, is essentially a labor expense at the present time. Now, it has been impossible for me to check over some of your suggestions of hour changes and wage increases, the exact import, but as nearly as I can gauge those increases would absorb essentially every dollar of gross revenue, possibly a little more, possibly a little less. I recognize the wage status. I can cannot hear those letters you have read without being very much moved, and yet along with it one does have to recognize that certainly the gross income represents an absolutely upper level over any period of time, even a moderate period of time. There must be something for other things.

Taking your 36 hour week and the wage schedules you have suggested, I believe -- this is subject to checking up afterwards -- that essentially every dollar of gross would be required.

If I should be correct in that statement, that the figures analyzed would show that it was, how do you feel that the

industry can meet the demands that you are urging, even granting they might be thoroughly desirable?

Mr. Powers: For one thing, Doctor, the United States Government should pay a full rate for its telegrams. If the unfair practice of permitting leased wire users to rent their facilities out as low as one cent a word was abolished, and they were made to pay full rates, that would help solve the situation.

This $468,000,000, plant and equipment, they are carrying on their books should be very materially wiped off as depreciation, a large percentage of it.

Dr. Hettinger: If that were all wiped out, every dollar of it, that alone would not do the trick, because you have heavy taxes and other things of that character.

Mr. Powers: Taxes are burdensome.

Dr. Hettinger: It would seem to me that if you are to get even an approximation of what you request, and which may be thoroughly desirable, there would be essentially few places from which it would come. One, increased efficiency in management, to the extent, wholly to the extent, that your charges are justified, and, secondly, trade practices, to the extent they could or should be improved. Would that be a fair statement?

Mr. Powers: I do not claim to be an expert on the financial structure of the telegraph companies, but I do

make the comparison and I leave to your study, that the telegraph companies in Canada, a very sparsely settled country, long wires, has been able to pay these minimum rates, although they have not reduced the hours to six, but they have been able to pay those rates all during this panic.

Deputy Peebles: The rate you propose in your code is the same as in Canada.

Mr. Powers: They are practically the same, except for the messenger boys which we do not have in our schedule in Canada. These figures were based on the present scale.

Deputy Peebles: There have been some questions submitted from the floor. I want to ask part of them. You stated you had 25,000 members within the United States. Can you give us any idea how they are divided between the Western Union and Postal?

Mr. Powers: I imagine Western Union would be interested in knowing. I gave considerable thought to that, because I thought it might be asked, and I am willing to say of the 7,225 who actually reply to our questionnaires and proxies on the same blank, a majority were Postal employees. Just how great the majoirty was, I will let the Western Union guess for themselves. I might add only 287 were messengers. The rest were plant and operating personnel.

Deputy Peebles: Does your contract with employers provide for a schedule of maximum and minimum wages?

Mr. Powers: In the United Press and International Service, the maximum and minimum are provided. That is practically an automatic maximum now, and the minimum runs from $40 in the low population cities and up to $50 for day work after ten years service, $50 a week, not a month.

Deputy Peebles: Have you any actual contract in the United States?

Mr. Powers: Yes.

Deputy Peebles: With employers?

Mr. Powers: Yes. With the United Press, International News Service and Universal Service, Inc. We have open shop agreements with various concerns.

Deputy Peebles: You have none with the two major companies?

Mr. Powers: No.

Deputy Peebles: Some of your members are working for those major companies?

Mr. Powers: Yes.

Deputy Peebles: Have you, in any recent months agreed to a reduction in wages for the schedule of maximum and minimum wages for any of your members?

Mr Powers: Yes, in Canada, the Commercial Telegraphers' Union and its members agreed to accept a five per cent deduction from the basic rate as of a month or so ago, the Canadian vice-president handling that, and I am not familiar

with the date it took effect. That makes 15 per cent deduction from the 1929 basic rate.

Deputy Peebles: Do any of the officers of your organization have to do with the employer by whom they are employed?

Mr. Powers: Yes. You mean officers exclusively?

Deputy Peebles: I ask the questions of the representatives of the Western Union Employes' Association, whether because of their connection with the company they might be influenced in dealing with their employers, and I am trying to bring out in your organization whether a similar situation would exist.

Mr. Powers: The procedure in our organization is for a division to be created in accordance with the jurisdiction of the employer, for instance, the Canadian National Employes all belong to the Canadian National Division 43. Their general committee handles all grievances, including wage agreements by themselves. If they wish, it is subject to the approval of the International President of the Submitted Schedule, the approved schedule and the strike vote. If they do not want an outsider to sit in with their conference, they do not have to have an International officer, but we are available at any time they wish our services.

In some cases, and particularly with the Canadian General Committee, they have negotiated agreements without contact with the International, touching on those twopoints,

the original submission and final approval.

Deputy Peebles: Do you feel where an employe is an officer that he might be intimidated by his employer in dealing with them?

Mr. Powers: There is a very grave danger of that, and down in the United States I should say it is absolutely. An employe who hold an office in the union would have absolutely no chance whatever to bargain collectively without fear of intimidation or discrimination.

Deputy Peebles: When you do have such employees who bargain?

Mr. Powers: If they wish to do that. But we have the chance to approve their original proposition, and they must submit the final contract to us for approval, before it becomes effective, so we figure that is sufficient restraining influence to protect them.

Mr. Scott: Getting down to your specific proposal concerning Article III, you suggest no service operation should be reduced below 52 hours in any one work. What is the definition of a service operation as you intend it there?

Mr. Powers: What I had in mind was one man offices in the smaller cities. If thoseoffices now give 52 hours of service, they should continue to do so and put on additional employes in order to provide for the reduced hours.

Mr. Scott: You did not mean that to apply generally

to the entire industry, but particularly to a one man office?

Mr. Powers: That is correct. I copied the language in the PRA agreement. I believe it is applicable only to the smaller offices.

Mr. Scott: It is not your intention to make that general exception to the 36 hour week?

Mr. Powers: No.

Deputy Peebles: Thank you very much. We will recess for lunch at this time, and will reconvene at two o'clock.

(Whereupon, at 12.30 o'clock p.m., a recess was taken until two o'clock p.m.)

AFTERNOON SESSION

(The hearing met pursuant to recess at 2.00 o'clock p.m.)

Deputy Peebles: We will proceed with the next witness, Mr. W.J. Shinnick, General Chairman of the United Telegraphers' Division, No. 55.

STATEMENT OF W.J. SHINNICK,

General Chairman, United Telegraphers' Division No. 55, of the Commercial Telegraphers' Union of North America.

Mr. Shinnick: This is the submission of the United Telegraphers Division 55 of the Commercial Telegraphers Union of North America.

My name is W.J. Shinnick, General Chairman of the United Telegraphers' Division 55 of the Commercial Telegraphers Union of North America. My address is 2632 Creston Avenue, New York City.

I am now employed by the Postal Telegraph Cable Company, as an automatic telegraph operator, in the main office of this company at New York City.

My purpose, at this hearing, is to protest vigorously against the proposed code, as submitted by the industry on September 1, 1933, and to advocate the adoption of the amendments to the code as proposed by our International President, Mr. Frank B. Powers.

Gentlemen, the codeses proposed by the industry are grossly unfair to telegraph employees and directly contrary to the spirit and intent of the National Recovery Act.

While we maintain the right of stockholders to a fair return on their investment, we insist, however, that labor must receive primary consideration when the question of dividends versus lay-offs, or the curtailment of wages below a decent living standard, is raised due to economic or other causes.

The following figures, taken from the company's report to the Interstate Commerce Commission, show graphically the basic reason, or perhaps one of the many reasons why our economic structure was rocked to its very foundations by one of the greatest depressions in this country.

Western Union Telegraph Company.

| Year | Net Income | Dividends | No. Employes | Employes laid off |
|---|---|---|---|---|
| 1929 | $15,577,038 | $8,188,206 | 63,409 | |
| 1930 | 9,246,232 | 8,188,344 | 66,454 | 2,955 |
| 1931 | 5,074,500 | 7,857,683 | 54,860 | 12,549 |
| 1932 | d- 850,605 | 1,049,026 | 48,538 | 21,071 |

You will note that during the year 1930 this company paying $8,188,344 in dividends, laid off 2,955 employes and that this dividend was even slightly higher than that of the 1929 peak year. Note also the drastic curtailment of personnel ihn 1931, in comparison to the very slight decrease in dividend payments. These drastic reductions in personnel

between the years 1930 and 1932 inclusive, while, an aggregate of $25,259,259 were paid in dividends represent a striking picture of the loss of buying power of telegraph employes and show one of the contributory causes of our economic upset.

Add to this the wage cuts, elimination of vacations with pay and the general decrease in the hours of work with a corresponding lower wage.

Now, gentlemen, I wish to introduce one of the strangest statistical stories in the realms of high pressure finance. You will note in this study the prominent absence of any noteworthy dividend payments and the comparatively enormous expenditure for plant and equipment.

Incidentally, I might remark that this is just a little different picture of statistics already presented by my colleague and International President Mr. Powers.

In the year 1930, although no dividends were paid to the stockholders for four years previously, $11,242,291. was expended for plant and equipment and the company incurred a deficit of $2,182,766.

Postal (Mackay Companies).

| Year | Messages | Plant and Equipment | Profit or Deficit | Dividend | Employees |
|---|---|---|---|---|---|
| 1927 | 37,027,066 | $62,891,289 | $610,221 | ------ | 15,[illegible] |
| 1928 | 43,625,248 | $65,275,039 | $546,803 | ------ | 16,[illegible] |
| 1929 | 42,438,564 | $67,078,247 | $181,040 | ------ | 20,303 |
| 1930 | 41,196,588 | $78,320,538 | d-$2,182,766 | ------ | 20,[illegible] |
| 1931 | 33,782,880 | $81,845,069 | d-$3,725,031 | $15,000 | 18,199 |
| 1932 | 33,782,880 | $82,841,601 | d-$3,288,835 | ------ | 14,935 |

The expenditure by the above companies, the Mackay Companies, of $11,242,291 in the year 1930 was $1,386,299 more than the much larger Western Union company for the same year. This expenditure of the Mackay companies in the year 1930 was also made after thedecrease in business, due to the depression, had already been noticeable for one year previous. During this same year also please note the lay-off of 2,985 employees. This completes this section of my discourse.

Now, this morning, some of our speakers, in the Cable Section of our industry pointed out the required experience in order to make a cable operator, also pointing out that some of these cable operators work machines, exactly duplicates of which are used in the Commercial Telegraph Field. I wish, as a practical telegraph operator, to stress the point that a telegraph operator is not a mere stenographer, also that a telegraph operator requires by the very admission of the general operating practice of the companies, at least one year of actual apprenticeship, before that operator is really competent to work in a sizeable circuit in the traffic office.

During this period of one year, they are classified as junior operators. The point I am raising is that the telegraph operator is decidedly not semi-skilled but he is a highly specialized skilled operator.

As an actual automatic telegrapher, working in the industry, may I present an analysis of the working conditions of telegraph operators as actually experienced in the main traffic office of the Postal Telegraph Cable Company in New York City.

An automatic operator handles as high as 170 telegrams per hour on high speed circuits, and averages 100 messages per hour for an eight hour day. The four hour sending alone require an expenditure of energy equivalent to pushing a 2,000 pound weight. This work requires intense concentration,

accuracy and the highest degree of efficiency, since an operator working at high speed cannot afford errors which may result in dismissal.

Approximately 80% of the automatic telegraph operators in this office are women. The work-week is scheduled for 48 hours, although overtime is compulsory when necessary. On the day tour an operator is on duty for eight and a half hours, six days per week. A relief of 15 minutes is provided in the morning, one-half hour for lunch in the middle of the tour, and an afternoon relief of 15 minutes is scheduled, but is dependent on traffic and wire conditions. If it is too busy you get five minutes on the second short relief or possibly no relief at all. Outside of these reliefs an operator during his or her tour who requires a relief for natural reasons must punch a time clock and have the time so consumed deducted from their salaries.

During the boom years of 1927 to 1929, most of these operators, loyally supported their company, sometimes working twelve, 16 or even 24 hours consecutively when the company did not have sufficient skilled operators to man its wires.

The salaries of automatic operators in New York City range from $85.21 to $106 per month. Incidentally some of these operators were brought up to the minimum due to the President's Re-employment Agreement.

These salaries represent a decrease since 1930 of from 25 to 40% in most cases.

Vacations with pay have been abolished; sick benefits drastically reduced; production speeded up and salaries cut from 25 to 40%. During the depression, a number of these operators were classified as extra operators. They were required to report at a specified time eachday, and wait in a rest room until they were called for duty. On some days they would be compelled to wait four or five hours in order to obtain three hours work for that day.

An extra operator could be called in to work a wire for 30 minutes or even less, then sent back to the waiting room for three or four hours, subsequently called again for two or three hours and then back to the waiting room to wait out the eight-hour tour, with a total salary for that day of from 85¢ to $1.02.

Actually at the service of the company for the 48 hours of the week, their pay for the work was in some cases as low as and lower than $5.62 for a 48-hour week, although, of course, they actually operated a wire only 18 hours of that week.

Similar conditions applied to most of the other departments in this office.

In conclusion, permit me to point out that the whole economic structure of this country was seriously endangered by just such drastic and vicious curtailment of the purchasing power of employees as was practised by the telegraph industry during the past three years.

The future of American industry and commerce depend on a planned and regulated economic policy that will protect employees and that will prevent such suicidal economic shortsightedness on the part of telegraph companies and telegraph company officials.

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Deputy Peebles: As I to understand that the United Telegraphers Division 55 is affiliated with the Commercial Telegraphers Union of North America?

Mr. Shinnick: Yes, sir, that is so.

Deputy Peebles: Where does this Division 55 operate?

Mr. Shinnick: Division 55 is a newly created division, although the provisions of the subdivision have been previously arranged by the commercial telegraphers. In other words, the really effective work of this association had been talked for many years, due to, should I say, lack of NRA policy, which would permit the forming of an organisation of the employees, and naturally the division had been in a state of turmoil, and the new division is being given under the guidance of the commercial telegraphers union.

Deputy Peebles: Is this new division located purely in the east here?

Mr. Shinnick: The practice previously has been where there was no functioning division, not a sufficient number of members, to create a company division in any one particular company, since the divisions are set up in accordance with company lines, the practice had been that these odd members, scattered throughout the country, reported direct to the International. In that way, a system has been set up where the various people in separate parts of the country had been reporting direct to the International. The newly created

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division, of course, will eventually work these people back into the division fold. That is the setup, so far as I can explain it.

Deputy Peebles: Well, am I to understand that this division counts anybody in any part of the United States?

Mr. Shinnick: The division has within itsjurisdiction, any employee in the I.T. &T. Companies in the United States.

Deputy Peebles: In the United States?

Mr. Shinnick: That is the setup or the working arrangement that we are going to work out.

Deputy Peebles: How many members have you in this division now?

Mr. Shinnick: At the present time, I could not give the exact quotations, due to the fact, as I say, that many of the division members are reporting to the International. In NewYork, roughly, I should say that we have 20 signed members, and many more proxy members. In Pittsburgh, we have a local of approximately 100 members, and, of course, corresponding proxies for those 100 members. Those are the only members at present, that have or are reporting direct to the division. The other members are reporting direct to the International. Of course, that system is going to be wiped away just as soon as we can set up our machine for so doing. The Telegraphers' Division has only taken active functions within the last three or four weeks.

Deputy Peebles: Dr. Hettinger wants to ask you a few questions.

Dr. Hettinger: How would you explain the fact that, with the employment in the industry declining between 20 and 25 per cent, from 1927 to 1932, the employment in the Postal, from the table you have used, declined about six per cent?

Mr. Shimnick: May I have the question?

Dr. Hettinger: How would you explain the fact that, with the employment in the industry declining between 20 and 25 per cent, in the period from 1927 to 1932, the employment which you show for the Postal system, declined only six per cent -- that is, from 15,600 to 14,700?

Mr. Shimnick: If I understand the question and I ask for correction, if I misunderstood, it is how will I explain the fact that the Postal showed a very comparatively small percentage?

Dr. Hettinger: Yes.

Mr. Shimnick: Of unemployed employees at that time?

Dr. Hettinger: Declines in employment.

Mr. Shimnick: I would not care to make a statement on that without rather lengthy investigation of the statistical side of the question.

Dr. Hettinger: Well, would you assume that the fact that they had increased their plant and equipment from $68,000,000 to $82,000,000, and had expanded operations, had

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anything to do with it?

Mr. Shimnick: It might have been. It might have had a bearing, although, as I say, at the present time, I wouldn't care to make any statement until I had investigated it further.

Dr. Hettinger: I think it would be logical to assume that an increase in plant and facilities, of that amount would be a thing that had held employment in the company to as close to the 1927 levels as it has. Now, you have criticised, as atrocious, the expenditure by an industrial concern of $11,000,000 for plant and equipment in 1930, the beginning of the depression. It was that kind of expenditure that maintained employment at the levels that it has been maintained. That was not an expenditure that was received out of earnings. It was the provisions of the capital markets that did that, and when would you prefer, in order to bring your regularity of employment, that a firm expend -- at a time when business activity is very high, and conditions are booming or during a depression.

Mr. Shimnick: My reason for that, Doctor, for bringing out these particular figures was to point out not so much to create an idea that we disagree with the investment of capital, and in the enlargement or the increasing of facilities in any particular company. Our contention is based on the fact that such an enormous expenditure for plant and equipment, with such perfectly low salaries and such perfectly bad working

conditions in the industry, at the present time, before the expansion is not a justifiable way of running the business.

Dr. Hettinger: That expansion was not out of dividends, and not out of earnings. It was supplied by the capital markets and provided more employment for labor.

Mr. Shinnick: Well, it may have spread the work. Undoubtedly it did, to a certain extent. Nevertheless, the actual salaries paid by the Postal, the conditions, would not seem to justify an expenditure of that amount.

In conclusion, I submit for the record a summary of accidents to telegraph messengers by the Childrens Bureau, Department of Labor.

Summary of Accidents to Telegraph Messengers.

(Children's Bureau, Department of Labor).

1. In normal times the Western Union and the Postal Telegraph Co. employ in the United States between 16,000 and 20,000 messengers.

2. The occupation of telegraph messenger is primarily a boy's job, and is held chiefly by boys under 17. Available information indicates that before the present depression about one-fourth of the messengers employed by the telegraph companies were under 16 years of age, and about one-fourth were 18 or older. Since 1929 the tendency has been not to employ so large a proportion of younger boys.

3. Approximately two-thirds of the messengers use

bicycles in their work, 30% deliver and call for telegrams on foot, and 4% use motorcycles or automobiles.

4. Foot messengers suffer the fewest accidents in proportion to the number employed; motorcyclesmessengers, the most. The ratio of lost-time injuries of Western Union messengers in 1931 was 4 per 100 for foot messengers; 11 per 100 for bicycle messengers (the largest group), and 44 per 100 for motorcycle messengers. Information for the Postal Telegraph Co. indicates the same trend.

5. Because of their exposure to injuries from motor vehicles, which are among the most serious causes of occupational accidents, the occupation of telegraph messenger, especially of the mounted messenger, is a hazardous one. Falls were the chief type of accident to foot messengers. Motor vehicles were found to cause the largest number of accidents to messengers in general and also to bicycle, to motorcycle, and to automobile messengers. Fifty-five per cent of the injuries to bicycle messengers had resulted from the bicycle's being struck by or colliding with an automobile or truck and 38% had resulted from some accident to the messenger's bicycle, frequently indirectly caused by motor traffic. The comparatively small group of motorcycle and automobile messengers are afforded some protections by regulations in effect in a few states prohibiting the employment in the operation of motor vehicles of young persons below a specified age which is higher than the minimum age for

general employment, and by laws prohibiting the licensing of minors (usually under 16 or under 18) as operators of motor vehicles. Bicycle messengers, the largest group of telegraph messengers, and one whose ratio of vehicular accidents is high, receive no special legal protection against the hazards of their occupation.

6. Night work for telegraph messengers is common. Although a few states prohibit the employment of minors as night work than are minors in manufacturing and mercantile employment. Few of the messenger boys who had been injured at night were employed in violation of the child labor laws of their states.

7. Under the employees' benefit plans of the Western Union Telegraph Co., injured employees may fare better as to accident compensation than do other persons injured in industrial accidents; these plans provide that, except in cases in which the accident is due to the employee's negligence, he receives full pay from the time of accident, at least for a considerable period, and not merely the amount of compensation to which he is legally entitled under the state workman's compensation laws. In the case of a considerable number of messengers, however, idemnification is not so speedy and not so certain. Large numbers of messengers are injured as a result of accidents caused by, or at least involving a third party and many of these elect to hold the third partyliable rather than accept the legal compensation or company benefits. In most of these cases no

payments are made them pending settlement of the claim against the third party, although if the minor sues the case may be in the courts for years."

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Deputy Peebles: Is there any question you wanted to ask, Mr. Scott?

Mr. Scott: No.

Deputy Peebles: Thank you very much, Mr. Shannick.

STATEMENT OF KENNETH M. WHITTEN,

on behalf of the Commercial Telegraphers Union of North America, Morse operator, Philadelphia, employed by Postal Telegraph Company.

Deputy Peebles: Mr. Kenneth M. Whitten, also of the Commercial Telegraphers Union of North America, has put in an application for an appearance. Mr. Whitten, will you make clear your connection with this Commercial Telegraphers Union and state what your position is?

Mr. Whitten: My name is Kenneth M. Whitten. I am a resident of the City of Philadelphia, and I am employed by the Postal Telegraph Company of the City of Philadelphia. I am a Morse operator. I have been employed in the telegraph industry by various concerns, both the Postal and Western Union, brokerage houses and newspaper associations, for about 34 years.

I started out in the City of Washington, D.C., working as a messenger boy, and worked as a messenger for a number of years in this city, and then traveled around the country, and have lived in Philadelphia for about 20 years. My connec-

tion with the Postal Telegraph Company this last period, dates from 1930. Just how long it will continue, after having testified here today, is problematical.

I have never been a paid officer of the Commercial Telegraphers' Union of America, although I have secretly carried a card of membership in that organization for many years. It was impossible to function, however, while in the empl oy of either the Postal or Western Union, because of their absolute anti-union attitude. Any man or woman known or even suspected of being a member of the Commercial Telegraphers Union was subject to immediate dismissal. That I offer as an explanation of my saying that I have secretly carried a card for many years.

I not only represent myself, but I hold the proxies to represent about one-third of the employees of the Postal Telegraph Company in the City of Philadelphia, and what is known as the third district, comprising Eastern Pennsylvania, Southern New Jersey, Delaware, and an office or two in Maryland. Out of the total number of organizable employees within that district, I have the signed proxies and membership of about one-third. I have letters of approval from a great many more, who, because of the terrorism, to which they have been subjected for so many years, have not the courage as yet to join the organization.

Notwithstanding the NRA has announced the fact, and not

withstanding that the Postal Telegraph Company and the Western Union Telegraph Company have signed an agreement that their employees may freely join an organization of their choice, the psychological effect of years and years of terrorism deters thousands and thousands of those employees from joining a bona fide labor organization. Nevertheless, at least one-third of the employes in the district from which I come have had the courage to join this organization and, as to the other two-thirds, if the fear of reprisal, dismissal, and discrimination, could be removed from their minds, there isn't any question that the other two-thirds, almost unanimously would join an organization, a bona fide labor organization, that would give them real representation and real collective bargaining.

Telegraph workers in the service of the Western Union and Postal Telegraph companies, have always been underpaid. Their wages have never been equal to those of skilled workers in other industries where labor organizations prevail.

Since the inception of the telegraph efforts have been made to effect an organization of these workers from time to time over a period of 50 or more years, but all such efforts have been repeatedly crushed. I shall not, however, go back further than the period covered by my own experience.

The Commercial Telegraphers' Union was organized in 1902, and has been affiliated with the American Federation

of Labor during its lifetime. Efforts were made to organize the Postal and Western Union employees, at different times, culminating in strikes in 1907 and 1919. These efforts toward organization were always bitterly fought by both companies.

In 1915, or thereabouts, the Industrial Relations Commission, a governmental body appointed to inquire into industrial relations between employers and employees in various industries laid completely bare the spy and blacklist system maintained by the Western Union Telegraph Company. They laid this bare by subpoenaing Western Union spies, whose identity had become known to the Commercial Telegraphers Union of America; by subpoenaing these spies and compelling them to testify before the commission. Their testimony divulged the fact that they went to such extremes as searching the lockers of the employees in their absence from the locker room, to see if they could find in their street coats, which they had temporarily discarded in order to wear office coats, a card of membership in the C .T.U. This is a matter of record in the Governments own publications.

Not only were known members of the Commercial Telegraphers' Union discharged, but any persons suspected of being members of the Commercial Telegraphers' Union of America were discharged. In fact, any person or member who showed or voiced the slightest dissent with the horrible conditions that

prevailed, was considered as a radical and was immediately discharged and blacklisted. Under such circumstances, of course, there has never been any wage scale. Wages were what you could get.

In the days before the Morse system of operation was supplanted by the printer, the telegrapher was a highly skilled man, but he never got decent wages. Since the introduction of the printers, it has been the deliberate policy of the companies to supplant the older Morse operators with youthful workers, boys and girls, at a small fraction of the former wages. My colleagues, Mr. Powers and Mr. Shimmick, have presented detailed figures of the situation in the telegraph industry. I propose to dwell more on the human phase, to try to show to what desperate conditions we have been driven by the fright ful mismanagement that has prevailed in the past seven years, to show how the employees have been forced to bear the burden of the folly of the management to show how we have been treated with as little compunction or consideration of our welfare as are pawns in a chess game.

Before the Postal Telegraph Company was taken for a ride by the International Telegraph and Telephone Company (laughter) it was controlled by the Mackay family. This change in control took place several years ago — 1928, if I remember correctly.

After having been subjected for 5o years or more to what the employers term the "blessings of freedom of the open shop," wherein each employe is gloriously free to bargain individually with his employer and is unfettered by any union fetters, our situation was exactly typical of the well-known sweat shop conditions that prevail in such instances in various industries.

I cannot attempt to cover all the evils that exist. They were and are legion; but the major ones, at least, can be mentioned. I wish to note here that while I speak here particularly of the Postal, because being a Postal employee, the same conditions apply to the Western Union generally, notwithstanding the fact of the testimony of the various company union officials who have testified here previously.

To preserve the fable that the company union, known as the Association of Western Union Employes is really a substitute for a bona fide labor union, the Western Union has gone through the motions of collectige bargaining, and graciously granted many trivial requests made by that organization, but none of the fundamental evils have been remedied and all remain.

Typical of our condition is the matter of short reliefs and lunch reliefs. A short relief is what telegraph workers term "a relief from duty for a few minutes to attend to necessary calls of nature," but the granting of such reliefs

is made contingent upon traffic volume, and is frequently refused over long periods of hours. Similarly, with relief for lunch, and this has resulted, in many instances, in serious illness of workers, the irregular habits involved producing digestive and intestinal disorders, necessitating in many instances major surgical operations.

In the sections of the telegraph industry where the workers have succeeded in organizing, it is generally written into the agreement with the employer that short reliefs shall be granted after two hours on duty, and lunch reliefs, after four hours. In the Postal and Western Union, as I say, the question of short reliefs and lunch reliefs is entirely and completely subordinated to the necessities of the company in handling this volume of traffic, and no consideration whatsoever is given to the individual needs of the employee.

Another major evil is what is known as the sliding scale. Since there is no wage scale, each individual being paid just what he or she can get, there is no way to stabilize the rate on any particular job. In large offices the constant effort of the chief operator is to lower his expenses. At various times the Postal Telegraph has given money prizes to chief operators who did an outstanding job of lowering the expense-per-message-handled ratio, with a special incentive and with, of course, the regular incentive of knowing that if he did not keep the costs down, he would be supplanted by some one who

would, naturally, the transaction between the chief operator and an applicant for employment resolves itself into the question of how much does the chief operator need additional help and how badly does the applicant need a job? This results in what is termed the "sliding scale." Whenever there is a vacancy, the efforts of the employing official, in the particular case, is to always fill that vacancy with some one at a lower salary rate. This is in addition to the numerous wage cuts. I will cite a typical example.

In 1931, I was sent to Easton, Pennsylvania, as manager. I received a salary of $140 per month. After 16 months' service at Easton, my pay had been reduced from $140 per month, to $103.50. I was then transferred to Wilkesbarre, as manager, and the man who succeeded me did not get the $140 a month, which the office should have paid, nor did he get the $103.50, succeeding me, at the then rate of salary. He was given $98, minus 4 per cent temporary reduction. The temporary reduction, by the way, has been made permanent since that time. This is an example of how wages are slid down, and it is a typical example that not only prevails in the Easton office, but I could cite you examples, if I dared divulge the identities of the individuals concerned, that that is typical all over the Third District, and is typical all over the Postal's entire system. In those companies where an organization has been effected by the workers, it is

written into the contracts with the employer that the successor to a position, such successor required to perform the same duties as the predecessor receives the same rate. The salary for the position is at an established figure. In small offices, it is the individual job which is rated, in larger offices, by percentage of ratio of first, second and third class salried employees. Under such circumstances, the chief operator or other employing official cannot continue such practices of continually appointing a successor at five, ten, fifteen or twenty dollars less than the previous holder of the position.

The next outstanding evil is the question of overtime. Since payment for overtime beyond eight hours is paid for at straight time only, in normal times, it was always the tendency of the company to depend upon compelling regular traffic employees to remain overtime, when traffic volume required it, usually at the end of the day. I mean, usually around five o'clock in the evening. An operator, regularly off duty at five p.m. would be told at 4.55, or later, that he would have to "stick around a while." He stayed a couple of hours or more, and was then released. The company avoided having to have a regular full time force of night employees. The man required to stay may have had his lunch at eleven a.m., and would never get his supper until eight or nine p.m.

In addition to this, it is obvious that the worker who can never tell his wife or his family that he will be home at such and such a time, or who can never arrange any of his social life except with the proviso that any engagement is contingent upon his not having to remain overtime, has no real freedom.

Punitive overtime rates will discourage abuses such as the above. That is why we ask, in our proposed schedule, that this be enforced. Also in order to circumvent the chiseling practices now being carried out, of requiring regularly assigned employees to work perhaps twelve hours in one day, and then, at some later day in the week, when traffic is slow, telling him that he may take four hours off today to keep his work week within the forty-eight hours prescribed by the PRA; in order to avoid this chiseling practice, we ask that all time beyond six hours in any twenty-four shall be overtime at time and a half. Sundays and holidays. It has been the practice from time immemorial, to consider Sunday work as overtime. I believe the Western Union does or did pay for Sunday work at time and a half. Even the Postal paid time and one-seventh; seven hours on Sunday being the equivalent of eight hours on a week day; although on certain holidays, four hours was considered a day's work and eight hours' pay was given.

Under the PRA, it is being chiseled away. Mr. Burton,

of the Association of Western Union Employees says that the Western Union is evading this time and a half on Sundays by assigning to Sunday work only those short time workers who have not completed their forty-eight hours within the week days, thus removing it from the realm of overtime.

We ask that Sundays and holidays shall be specifically mentioned in a code for telegraph workers as being paid for at time and a half and double time respectively regardless of the individual who works on Sundays or the holiday concerned.

The proposed wage scale. I shall not mention the terms of the proposed wage scale which has been submitted by Mr. Powers, International President of the Commercial Telegraphers' Union of America, other than to say this:

In giving consideration to this proposed wage scale, we ask you not to compare these proposed schedules with the pittances we now receive. If such a comparison is made, it might seem that we are asking much. We ask you to compare our proposed wage schedule, with the wage scales of other skilled, organised trades. Such a comparison will show that we are asking approximately for telegraph operators the scale received by linotype operators, and this is a fair comparison. There are no two lines of labor that I can think of where physical and mental effort on the part of the worker is more similar than in these two industries. The mental effort of reading copy, and the physical effort of punching

a keyboard is practical identical. According to my information, gathered from a mimeographed sheet issued by the Typothetae of Philadelphia, the employing printers association, the minimum rates for linotype operators in Philadelphia is 91 cents per hour. Mr. Young, President of the Typographical Union of the American Federation of Labor in Philadelphia tells me that the minimum scale in Philadelphia for linotype operators is $42 per week day work, for 45 hours, and $45 per week for 45 hours night work.

We ask approximately this for telegraph operators, both machine and manual.

Some question was raised here as to the legality of having a schedule which specified minimums for different occupations. According to the mimeographed copy that I have, that the Typothetae put out for the information if its employer members, there are various classifications among printers, and I have also read the NRA schedule for the graphic arts. In this schedule for the graphic arts, minimum wages are mentioned for various classifications, such as hand compositors, linotype operators, monotype operators, and various other classifications of the industry. Our schedule asks for the same minimums for various classifications within the industry.

In view of the fact that the automatic telegraph operator gets $65 a month, and the linotype operator gets, in many instances, $65 a week, what is the reason for this great dis-

parity in wages? There is no other answer, gentlemen, except that the linotype operators are organized and can secure a rate of wages in line with the value of the work which they perform, while telegraph operators owing to the terrorism and anti union attitude of both the Postal and Western Union Telegraph companies have never been able to organize, and are absolutely at the mercy of these companies, who take no consideration whatsoever of the human element involved. They just get what they can get.

There have been various vague proposals by certain company union officials who have testified here, none of whom, however, have presented any kind of a schedule. The burden of their proposal seems to be, "Just leave us alone, we are negotiating with our companies, and we get everything juke for our membership. Membership is all completely satisfied, and we don't need any code, we just want to continue the way we are going;" but it is very signifcant fact that the persons who have appeared here are officials of the company organizations and none of their membership or none of the rank and file employees of the Western Union Telegraph Company have dared to come here and testify. If they dared to come here and give their side of the story, you would find that everything is not so well and so happy in that great company family of employer and employee.

Their grievances are very real, just the same as ours,

but even though the NRA has said that they have the right to organize, and that they have the right to appear here, none of them dared to do so.

These vague proposals of the company union officials should be entirely disregarded. A distinct code, with daily minimum hours and definite hourly wage, with unambiguous statements of time and a half for overtime and Sundays, and doubletime for holidays, should be drawn up and should be, as I see it, similar to the code which has been drawn up for the printing industry. I find here that this statement by the Typethetae says that the new minimum for Philadelphia, for an hour, for linotype operators is 81 cents per hour. Below it says, "Overtime; time and a half beyond eight hours in any 24. Holidays, time and a half for New Years, Memorial Day and Thanksgiving; double time for Christmas, Fourth of July, Labor Day and Sundays."

Such ambiguous statement as that in a code of ours would prevent this thing of working men on Sundays and holidays for straight time, and then claiming that the reason they worked straight time on these holidays and Sundays was because they had not had sufficient time during the weekdays. Regardless of the fact that they have not had 48 hours, or whatever minimum may be set out on their week day hours, Sundays and holidays should be continued as time and a half or double time payments as the case may be. The chiseling

away of that under the present circumstances is breaking down an established custom of 50 years or more and an established custom of at least 30 years that I know of, of my own personal knowledge.

It has been testified here by the President of the Western Union Telegraph Company -- he has spoken of his company bargaining collectively with the employees. In order to make clear just what this means, let me state that this collective bargaining is carried on through an organization known as the Association of Western Employees. This organization's pedigree is that it was fathered by Newcomb Carlton, at that time president of the Western Union; it was mothered by the company, and its entering into this world was carefully attended by executive officers, who guided the constituent assembly; the ventriloquist dummies that the company had hand-picked to draw up a socalled constitution and by-laws for the training of the illegitimate child. (Laughter). It is still in its condition of original sin (laughter), and it now asks the NRA to remove the bar sinister from its escutcheon and recognize it as having the right to bear the honored name of the labor organization.

Why was it instituted? It is significant that the institution of the association of Western Union Employes, and its twin, the Association of Western Union Cable Employes, both date from the period of 1918. In 1917, the telegraph

workers had not been the recipient of any of the increases in wages that should have been given them, owing to the tremendously rapidly rising increases in the cost of living. The Commercial Telegraphers' Union, in order to remedy or in order to try to remedy that injustice instituted a campaign of organization. I speak now from personal experience. I took part in that campaign. We succeeded in organizing Postal and Western Union Employes by the thousand all over the country, notwithstanding the fact that the spy system and the terroristic tactics of the companies had not been removed for one minute, but their condition was so desperate that they decided that they would take a chance on organizing, regardless of all of the obstructions that were put in their way. When it was seen that we were making great progress in organizing the employees and particularly when the Commercial Telegrephers Union of America took the matter before the then existing War Labor Board, Mr. Newcomb Carlton appeared before that Board and said that he was perfectly willing for his employees to organize -- provided it was the right kind of an organization; and he submitted proposals to the National Labor Board, on which ex-President Taft was one of the joint chairmen with Frank P. Walsh, the well-known lawyer.

What happened? Mr. Carlton conceived this idea of this association of Western Union Employes. Its entire expenses connected with its formation were defrayed by the Western

Union and its delegates were paid their salaries while absent from their duties as telegraph workers. I was approached at that time, being an active worker for the Commercial Telegraphers Union of America, and asked why I did not pitch in with the Association of Western Union Employes. I might clarify that by saying that I was at that time an employee of the Western Union Telegraph Company. Why didn't I pitch in with this new outfit? And the inducements to pitch in with this new outfit were that those that became officers, became active in the organization, would stand in well with the company, that everything would be jake -- might get to be a delegate to the convention and have all your expenses paid and everyt hing would be fine and you would have a perfect joy trip, and draw your salary in the meantime.

Naturally, with my viewpoint on the labor movement, the viewpoint that the workers should be benefitted through an organization, I could not see pitching in with any such outfit as that, which was being formed for the deliberate purpose of hampering and hindering, wherever possible, any effort on the part of the employes to form a real organization, that would get them some real relief from the evils from which they suffered.

When Mr. Carlton submitted this statement of this association of Western Union Employes, as a substitute for the Commercial Telegraphers Union, to the late ex-President

Taft, who was at that time the Chairman of the War Labor Board, a similar governmental body to this, Mr. Taft definitely and positively characterized it as wholly unsatisfactory as representing the Western Union Employes in the dispute then before the Board.

The whole inception and continuance of this Association of Western Union Employes is carefully fostered by the Western Union Telegraph Company in order to prevent its employes from having any method of really presenting grievances. The Western Union, until the acceptance of the PRA, openly stated its policy to be that any employe discovered to be a member of the Commercial Telegraphers' Union should be immediately discharged. It maintained for years, and may still maintain, a spy system, to uncover any member of a legitimate trade union, and had, and may still have, a blacklist.

I was myself discharged by the Western Union because I would not state to the Chief Operator that I was not a member of the Commercial Telegraphers' Union of America, and when, several years later, I applied again for employment by that company, I was told by the Assistant Chief Operator to whom I applied, that when he submitted my name to his superior, he was told that if he ever submitted my name again he would be fired.

Some mention has been made here about associate members of that organization. It was carefully stated by Mr. Burton

that associate members have no rights. They have no vote, and are not even wanted at meetings. They are suspected of being company agents, according to his statement.

It would be interesting to know what are the inducements then held out to these persons to become associate members? Why should they become members of the organization under such circumstances unless duress was applied.

In the booklet issued by the Association of Western Union Employes it states very distinctly at its inception that "the company will prefer those applicants for employment who, when applying for employment will state their willingness to join the Association of Western Union Employes."

This statement was made at the same time when the company was taking the attitude that any member of the Commercial Telegraphers' Union could not work for the Western Union Telegraph, and is therefore of great significance in establishing the identity of this association as a company union.

Something was said here about Postmaster General Burleson receiving with great cordiality the delegates of the newly formed association of Western Union Employes. Mr. Burleson absolutely refused to consider any reception of delegates of the Commercial Telegraphers' Union at the same time. Mr. White stated that it has never been necessary for the Association of Western Union Employes to ask arbitration, in their negotiations with the company. Naturally not. When

the company bargains with its alter ego no third party is required to perfect an agreement. I regret that Mr. White did not explain why the messengers need no representation. I regret also that Mr. Burton seemed to feel that the messengers need no representation. I thought that the Western Union Association of Employes was an association that was open to membership and took up the grievances and the cause of every employee of the Western Union Telegraph Company. That is the impression that had been created in my mind, and it was news to me that thousands and thousands and thousands of the employees of the Western Union Telegraph Company were not in any manner represented in this so-called collective bargaining. It seems that the messengers apparently are bargaining for themselves, and, as is usually the case when an employe bargains for himself with an employer, they get the wrong end of it.

Bargains between a company union and the company are bargains between the company and itself.

I certainly do not believe that the members of this committee, or that anyone sitting here, including the officers of that organization itself think that anyone is naive enough to believe the statements that they have made, that they bargain independently and act independently and present grievances and wage scales without any consideration of whether the officials of the company like it or not. If

the employes of the Western Union Company other than officers of the company union, dared to come before this body and state the true conditions they suffer from, they would be quickly made to feel the lash of discrimination and discharge, and I again call to your attention to the significance of the fact that there have been no individual employees of the Western Union Telegraph Company to come here and testify as to what they know about conditions.

As an example of how fraudulent such setup as this Association of Western Union employees is and how they are absolutely unable to in anyway buck against the company's wishes in any specific cases, where there is anything of any importance involved I will give you a specific example of the case now on in Philadelphia.

Mr. Samuel Rosenthal was the manager of the Postal Telegraph Office in the Fruit and Produce Market District, for thirty years or more. Mr. Samuel Rosenthal, because of his energy and personality, got for the Postal Telegraph Company, a major portion of the business in that district. He has always been a very, very painful thorn in the side of the Western Union. They have put manager after manager in that district to try to compete with Mr. Rosenthal, but they could never do a thing; so now they negotiate with Mr. Rosenthal to get him to leave the Postal Telegraph Company. They offer Mr. Rosenthal various inducements of money which is a much

higher salary than that which he received from the Postal Telegraph Company. Let me state herethat I do not blame Mr. Rosenthal for one moment, for accepting a higher salary. I am glad that he had the ability to get such a thing. but here is the point involved: Mr. Rosenthal is taken over by the Western Union Telegraph Company, and because of the fact that he has thirty or more years of seniority with the Postal, the Western Union gives him a contract in which they give him 15 or more years of seniority rating against a pension in the future. They make him the manager of a very important, highly paid office, in which he has no real seniority. They promote him over the heads of many, many Western Union employes in the City of Philadelphia, who have actual seniority entitling them to that position, and the association of Western Union Employes seems to be absolutely helpless to correct that situation. Where is the boasted protection of the employe's rights? Mr. Rosenthal, I understand, is receiving a higher salary for being manager of the Dock Street Office of the Western Union Telegraph company, a much higher salary, than any other Western Union employee ever received in that particular position. Besides that, as I have said, he gets seniority privilege and preference over men who have had many many years of actual seniority with the Western Union. I would lay a bet if I were a betting man of 100 to 1 that the Association of Western Union Employes will never even take up that case.

Why? Because this is rather an important question to the Western Union Telegraph Company. Mr. Rosenthal probably can swing five thousand dollars per month business to the Western Union from the Postal. Do you think for one minute the officials of the company are going to allow Mr. Burton or any other members of the Association of Western Union Employes to interfere with a case like that? No, they will not.

Considerable mention has been made here of messengers. There was a lady who testified here, whosename escaped me but who covered that matter pretty throughly, and if I attempted to go into that matter, it would be repetitious. She said, I believe, that the minimum wages she had discovered were something like 16 cents an hour, if I remember correctly. I can tell you, of my own experience, that on distribution work, as manager in Wilkesbarre and as manager in Easton, on distribution work of circulars and so forth, where we employed messengers, the rate of pay for Postal Telegraph messengers was 12½ cents per hour. If she mentioned 16, I would like to read it into the record that the lowest that I know of, in that particular case, is 12½ cents per hour. I know of my own knowledge that messengers in the Third District of the Postal Telegraph Company in the City of Philadelphia, and throughout the District, are receiving as little as two and three dollars per week, and if there is any of

them getting as high as six or seven -- if there are any of them getting as high as six or seven, averaged over a period of weeks, it has escaped my knowledge; and now, I feel rather apologetic, because of the fact that I switch around from point to point. I have noticed that the persons who testified here the officials of the company and various other persons have been able to give a coherent, carefully progressive statement of their case, but I would ask you gentlemen to remember that I am a simple worker, right from the workshop, and have compiled this entirely out of my own mind, and it certainly is not as cohesive or as coherent as I would like to have it, but it is the best that I can offer, and I offer it to you under those conditions.

I have a statement here, which I have labeled, "chiseling of the President's Reemployment Agreement," as meagre as are the provisions protecting the worker contained in the present temporary code, under which the Telegraph Companies are now operating, and which were termed as "wholly unsatisfactory by General Johnson," they are being chiseled and evaded.

A 48 hour week would be held to mean by anyone asked about it, eight hours per day, six days per week. This practice is so general that it is axiomatic. In many branch offices in Philadelphia, there is now but one employe. In order that the office shall be open a sufficient number of

hours to garner every message possible, such an office is open from eight a.m. to six p.m. The employe is required to work ten hours per day, with no lunch relief, four days per week, and on the fifth day he works eight hours, with no lunch relief. The sixth day, he is off, at that time, and a substitute takes his place. To cover a spread of ten or more hours in such offices, it has always been the practice to have at least two employes. Under this new arrangement, only one other employe is required, only one day per week. This is a direct attack on the whole purpose of reducing hours, which is to put men back to work. Another practice, carried out in the field offices -- and by the field offices, I mean the smaller offices in such cities as Easton, Wilkes-Barre, Scranton, and so forth -- another practice carried out in the field office, in smaller cities, where there are three or more employes, the night man is required to service the teletypes that are located in the offices of various telegraph customers. The Postal Telegraph has an executive ruling that the payrolls will not be honored if anyone is credited with having worked extra hours over his regular tour. The night man in question, is told he will be given time off at night, to compensate him for the extra time worked during the day. Since there is no provision made to have any other employe substitute for him, he never gets the time off. He is eventually told to forget it. If

he is insistent, he is told that his attitude is not a proper one, that he is not showing the proper spirit of cooperation with the company in its financial difficulties, and the best thing to do is to keep quiet or else. But unpaid hours of overtime have accumulated in the third district in which I work to the extent of from fifty to three hundred hours. We therefore place the greatest emphasis of having, in a personal code, a provision that six hours' work in any twenty-four shall constitute a day's work, and that any emergency overtime worked beyond that shall be paid for at the rate of time and a half. This is what is written into the linotype operator's code.

Another abuse is the working a man ten or twelve hours in one day and paying him only straight time for it, hour by hour, then, on some later day on the week laying him off without pay, so that his work week will not exceed forty-eight hours. Punitive overtime rates, as mentioned above — that is to say that only a regular tour of duty, within any twenty-four hours shall be considered as regular time, and that time and a half shall apply to all hours over that— punitive overtime rates, in such case, should apply in such cases. The present permission to work employes unlimited hours in small offices should be terminated. I have a case of an employee who works up to 75 hours per week, with 48 hours' pay only. There is no valid reason why President

Roosevelt's policy of shortening hours and increasing employment should not apply in the small cities as well as in the larger ones.

Hunger and strife, caused by long hours, and surpluses and machinery, are just as real in one locality as in another. Geographical location is not a factor. Flaunting the Blue Eagle in offices where men are working 70 hours per week is adding insult to injury.

In many offices the company has deliberately reduced the number of employees to secure the benefit of this exemption. This would be further taken advantage of, if, in a new code, any exemptions at all were allowed.

Since 1930, the Postal Telegraph employees have suffered from 25 to 50 per cent wage cuts. I mentioned to you, previously, that I had been cut within 16 months from $140 a month to $105, and then the man succeeding me @ $95, less 4 per cent. This condition of wage cuts is general all over the system. I think it would be perfectly safe to say that the employees of the Postal Telegraph Company, as a whole, all over the entire system, have received from 25 to 50 per cent wage cuts in the last four years.

I have enough proofs and enough information covering the district in which I work to know that that condition is general, and I regret very much that I cannot read to you some of the letters that I have received, detailing specific

instances of men who are now working for three-quarters or half of what they previously worked.

Mr. Powers was reluctant to mention names, even when they were spread all over the United States. I think you can understand that if I attempted to enumerate conditions, to specify individual cases within the district, within a district as small as the Third District, it would be very easy for the company to identify the individuals concerned, and could fire them, or in other ways discriminate against them. This information has been given to me in strictest confidence by men who have families and who have asked me not to divulge their names and never to say anything that would indicate who they are, for the sake of themselves and their families. Therefore it is impossible for me to go into detail on that, but we have suffered a wage cut of from 25 to 50 per cent, generally, all throughout the East.

At the present time there is an efficiency survey being taken in the City of Philadelphia. I will cite one instance only of the result of this survey. There were nine employees in what is known as the Delivery Department. None of these men were supernumeraries. None of them were carried on the payroll because of any other purpose except that they did plenty of work, but when the efficiency expert brought them to that department, he has now reduced the number of employees to seven. Two men were discharged effective April 1st, and

the seven remaining employees are now required to do exactly and precisely the same amount of work that the nine previously accomplished -- a very fine example of how the Postal Telegraph Company is cooperating with the NRA and President Roosevelt in the campaign to raise the purchasing power of the workers and to reduce unemployment. That is just one example.

There are probably 100 more that could be put.

In any schedule that may be devised here, we workers should not only have these wage cuts back, these 25 to 50 per cent wage cuts; we should not only have them back, but we should have increases beyond what the wages were before those cuts obtained. The wages then were miserable. The wages then were sweat shop wages. We have always been badly underpaid. The disparity between the rate of compensation of a first class multiplex telegraph operator and a first class linotype operator is not because of any dissimilarity in the human effort, both physical and mental, required. It represents the differential between organized and unorganized workers. The $65 a month received by a multiplex operator in the Postal Telegraph Company, and the $65 per week received by a linotype operator, is a differential which can be ascribed not to any difference in the skill or the quality or the quantity of work required from these two classes of workers, but can be ascribed only to the fact that in one instance the

workers are organized into a bona fide trade union, and in the other instance the workers have been prevented by terrorism from ever organizing at all. If printers had been caught, at the time when the Morganthaler Linotype was invented, if they had been caught unorganized, a technological change from hand composition to machine composition would have been accomplished with the same phenomena that occurred when the telegraph operators were caught with the change from the Morse operation to the Teletype or to the Multiplex.

In the instance of the printers, however, they were already organized. Printers were one of the first union ever organized in America, dating back, I believe, to 1825. Although the telegraphers have tried to organize since 1860, or something like that, they have always been prevented, and when, ten years or so ago, the Multiplex began to be introduced, there was no ability on the part of the telegraph workers to say to the employers that "While we do not in any way dispute your right to introduce the machines, we do dispute your right to use these machines to drag the level of wages down to that of a Chinese coolie." But unfortunately the telegraphers were not organized, and the result was that wages were dragged down to a levelwhich was unbelieve almost except by someone who has made some study of the situation.

Reclassifications. Since the inception of the President's Reemployment Agreement, telegraph companies have made

numerous reclassifications. Certain employees who were known for years as "check boys," "check girls," the boys and girls who carried the messages around from one table to another in large offices, a message coming off the New York wire and destined to Norfolk, Virginia, for instance, would be carried from the table where the New York wire was located to the table where the Norfolk Wire was located by what is known as a "checker." They were never known as messengers. Never. They had no relation whatsoever to messengers, but after the President Reemployment Agreement was instituted, the companies discovered that these employees were "office messengers," and to evade the payment of the minimum wage of $15 per week, they reclassified these employees as office messengers, and put them in the classification of "messengers" with no minimum wage attributable to their particular case.

Again, branch managers in newspaper offices, particularly, have been reclassified as "executives". For years and years, all through my experience, nobody ever spoke of the manager of a newspaper office as an "executive", but the companies suddenly discover that people who were branch managers, they could save money by classifying as executives. Therefore, they put them under the classification of executives and gave them the minimum wage applicable to executives of $35 a week, curtailed any overtime that they might have been

receiving, because of working a greater length of time than their regular period. These men, in some instances, with the overtime that they put in, made a great deal more than $35 a week. Now under the reclassification they as "executives" can work unlimited hours, and they still get that minimum and maximum of $35 a week.

This is an absolute, complete disregard of the entire program of President Roosevelt and the NRA.

A great deal has been said here about the extension of low cost facilities at the expense of telegraph companies. Mr. Kern, counsel for the Postal, went into some detail about that. I would like to give you the viewpoint of an employee on the matter. If there is any criticism, before going into that territory, I would like to say this, that the criticism of Mr. Kern, when he says that railroad companies extend their facilities to the Western Union, refers to the extension of some facilities to the Postal Telegraph Company, cannot be justified any more than if the railroad company should refuse to take me from here back to Philadelphia, just because they did not like me. If I were willing to pay the fare the Interstate Commerce Commission would require that the railroad company should transport me on exactly the same conditions that they would transport you, if you paid the required fare.

But in this particular instance, it seems that

railroad companies are permitted to rent their facilities, space in their terminals, and so forth, to one company, and to deny exactly the same privileges to another public service company.

Absolutely nothing fair in that. That is a matter that could be terminated, but the cry of the Postal seems to me to be somewhat hypocritical, leaving the territory of logic and justice. It seems to me that their cry is somewhat hypocritical because, wherever they can get the same advantage over a competitor, they always took it. Now, since it squeezes them and hurts them, they cry out about it. Nevertheless, it is a matter that should be remedied. The proposition of the serial date and the timed wire service, have been gone into in some considerable detail. I will go into them only this far, as to say that these two services have been instituted by the companies in an effort to cut each other's throats, and these two services are, in my opinion, actually below-cost-services -- below cost, attempting to get the file of large users, and attempting to get them to patronize the one or the other company exclusively, to the disadvantage of the other; but there is one phase of those unfair practices that is fundamental to the interests of the telegraph workers, and this is the extension of unpaid facilities by placing private telephones or teletype machines in the offices or plants of various customers.

Let me digress a moment to read a report to the stockholders of the International Telegraph and Telephone Company in 1931. I do not know who made the report. It may have been from Colonel Beattie himself or it may have been from some other executive officer. That, however, is not material. The quotation is this:

"The operation of the telegraph has in the past decade been largely converted from the Morse System of dots and dash signal to the telegraph printer. Under the latter system it is unnecessary for the operator to have the specialized training needed to use and translate Morse signals, an ordinarily competent typist being sufficiently equipped to acquire promptly the skill necessary for printer operation. Consequently the conversion to printer operation effects an immediate reduction in operating expenses."

This, in plain language means that the introduction of the printers enables the employer to drag down the level of the already inadequate wages being paid to the Morse operators, and this was the object of introducing the printers.

Unlike the workers in the typographical industry, who were already strongly organized when the Morgenthaler Linotype was invented and who were thus able to compel employers to pay the existing wage scale, the telegraph operators were unorganized, therefore they could not offer any resistance

to the telegraph employers, and the wage scales were dragged down to the level of one dollar per day. The company started schools and graduated students by the thousands. I know of instances of workers operating these machines who were getting as little as $31.50 per month for 26 or 27 working days at eight hours per day, until the President's Reemployment Agreement raised them to the $60 per month minimum. These machines were put in on practically all circuits, the boy and the girl newcomers supplant Morse operators at from one-third to one-fifth of the latter's salary. These Morse operators in large numbers were thrown out of the industry to starve. Many of them are living in flop houses and Gospel Missions. Under normal conditions, they might have been absorbed into other lines. Under the existing conditions they become a burden on Society.

But, let us grant for the sake of argument that the decreased cost of the operation which was expounded by the Executive Officer of the I.T. & T. should have fallen entirely to the owners of the property. Grant that it was right and just to utilize a technological change in operation, to fasten even more firmly the crown of thorns upon the brow of labor; let us see what happened. Did this vast saving made possible by the lower wages accrue to the stockholders? Not at all, not at all; and it was because of the fact that concurrently with the introduction of these machines

in the telegraph service properly, these two companies started on a campaign of trying to divert business from each other, by offering to users of the telegraph additional unpaid facilities. I referred to the placing of thousands and thousands of these printers in customers' offices and plants, and paying the rental on leased wires from the telephone company necessary to make these connections.

Burns They practically force these machines injoncepting for a small percentage of cases they are of no particular value to the customer. At first, an attempt was made to place machines only where the volume of expected traffic would justify the installation. But it soon degenerated into a race to place the quota named by the hiphorups. City managers, in order to pretend they were grabbing the opposition company's file by installing their company's machines exclusively on the customer's premises installed hundreds of printers from which the revenue received hardly covers the leased wire rental to the phone company.

These printers are purchased from the Teletype Corporation and are said to cost from $300 to $500 each. This price is another matter that has cost the employees dearly and will be touched on later.

Of course, wherever one company installed a printer the other company pestered the customer to let them do likewise until in sheer self defense he had to consent.

I know of a printer installed by Postal Telegraph, the monthly phone rental of which is $20 and the revenue about $30 monthly. That means, gentlemen, the telegraph business of that concern is handled at a dead loss. The volume of business derived from that printer is handled at a loss to the company.

I know of a printers installed in customers' offices whose monthly bill averages less than $5.

In that instance the company is paying $1 to $3 rental to the telephone company for the wire itself to make the connection from the customer's office to the telegraph office.

Owing to this folly on the part of the management, pay cut after pay cut was forced upon the helpless unorganized employees to recoup these tremendous losses and increased investment in equipment.

During 1930, the Postal Telegraph spent the sum of eleven million in plant and equipment investment.

No business has been developed by the placing of these printers, and it was entirely the cut-throat competition of the companies in an effort to divert the existing business from one company to the other which made them go to this tremendous expense of expending millions upon millions of dollars in installing these printers, all of which has been taken out of the wages of the employees.

Let us return to the cost of these machines. They are

manufactured by a concern that has exclusive patents and the prices are exorbitant. I do not know the exact cost of the printers, but I have data on replacement parts. It is evident that contractual relations require the purchase of replacement parts. The Teletype Corporation issues a booklet listing parts prices. I will not go into detail but will submit these two parts typical illustrative of such prices.

I hand you, Mr. Administrator, part 4888, a selector reset bail blade. The list price for that to the Postal Telegraph Company from the Teletype Company is $1.

Mr. Scott: What is it made out of?

Mr. Whittin: It must be gold.

Mr. Scott: Seriously, do you actually know what it is made of?

Mr. Whittin: I imagine it is made of ordinary steel.

Deputy Peebles: Do you know whether there are any discounts on it?

Mr. Whittin: I only know the manifests accompanying those things, when they are procured on requisition, the manifests list the price in accordance with the booklet giving the prices.

The second piece is a code bar lock lever blade, No. 3156, list price $1.

Mr. Scott: That is gold also.

Mr. Whittin: I do not know if it is gold or platinum.

Since gold has a deteriorated value, I think it may be platinum or irridium.

I could have brought here what is known as a ball and code bar mounting bracket, No. 8891, aluminum casting, weighs about one pound, list price $92. It has two or three holes -- oh, it has several holes machined in it, and, as I said, weighs about one pound. It is about eight inches wide, five or six inches broad and one inch or two thick. The list price on that is $92.

Deputy Peebles: You said these were supplied by the Teletype Company.

Mr. Whittin: They must be purchased by the Postal Telegraph Company from the Teletype Company.

Deputy Peebles: Who owns the Teletype Company?

Mr. Whittin: I do not know, but I imagine somebody must have a big interest in it to pay such prices as that, unless the management of the Postal is even more foolish than I have any conception. I do not see why they pay such prices without a comeback.

I can show you a small screw, an ordinary screw that could be -- it was shown to me by a plant employee -- he said, "Whittin, what do you think it would cost?" And I said, "I do not know, but I think you could get a handful at a five and ten cent store for a nickel." "Oh, no," he said, "that screw costs 35 cents."

We employees have paid for it all in wage cuts which total from 35 to 40 per cent since 1930.

We pay that $1; we pay that 30% for that aluminum casting.

Incidentally I want to correct here any impression that may have been produced that the American Telephone and Telegraph Company instituted the installing of these unpaid facilities. The A.T. & T. did nothing of the kind. The Western Union and Postal Telegraph companies were the first ones who did any instituting of unpaid for facilities. Up to that time the A.T. & T. and its associated companies never instituted anything without being paid for it, and well paid for it. It was the A.T. & T., in my opinion, who, when they wanted to institute and put their teletypes in, found that they were going to get their teletypes in and get the customer to guarantee they would give $30 or $40 a month business, the customer said, "Postal and Western Union don't ask for that. They put them in," and the A.T. & T. had to follow suit.

That does not mean, however, I feel the A.T. & T. has a right to enter that field; it is an absolutely unfair practice on the part of the A.T. & T. to enter the written communications field, and institute a service which in turn compels the Western Union and Postal to institute an under-cost-service.

Let me make that clear. The A.T. & T. is certainly

instituting an unfair competition when they put these machines in and give the so-calletime wire service at a figure at which the Postal and Western Union could not do business in general on such a basis.

But the A.T. & T., however, does not offer a general telegraph service in that particular instance. The only thing the A.T. & T. offers to the customer is that if he wants to communicate over his printer to a correspondent of his, who also has an installation of A.T. & T. printer, they can connect him up through his central office. The Postal and Western Union go a whole lot further.

First they said, "We will give you this time wire service from any person who has Western Union or Postal printer in any city, to any person who has a Western Union or Postal printer in any other city." Then they went further. I do not see why they did that. They even extended that service far beyond the limits of the A.T. & T., and extended it so that now if you have a printer in your particular office, you can send a time wire message at a ridiculously low rate to anybody anywhere in the United States, regardless of whether he has a printer or not. This was an extension of the unpaid or underpaid service on the part of the Western Union and Postal which they cannot in any way charge to the A.T. & T.

I do not want to give the impression that any one is white and the other is black. They are about in the same boat

and tarred with the same stick.

What there should be is a proposed radio commission similar to the Interstate Commerce Commission, in which all these unfair practices on the part of all these companies will be investigated and eradicated.

If these expenses involved in this folly of putting ten or twenty thousand printers at an expense of $500 each first cost, and an enormous expense of maintenance and rental to keep them there, with such a small volume of business derived from it, if that expense were eliminated, as it should be eliminated, and the Postal and Western Union, the whole business be prohibited from extending any unpaid facilities, there is not any question the Postal Telegraph employees could be paid a decent wage.

In my opinion, if the economies that could be effected are the withdrawal of these low cost facilities, I mean the elimination of these under-cost services, if they were controlled and eliminated by a communications commission, similar to the Interstate Commerce Commission, there is not any question the telegraph companies could make lots of money and pay both their stockholders and their employees a fair remuneration. Nothing but mismanagement and folly have plunged them into the situation they are in, and I say that with due regard to the economic crisis through which we are passing.

The telegraph companies can't get together to jerk their

printers out. They do not give the customer any better facilities than he could get otherwise. They were forced in in almost every instance. They had to put out high pressure salesmen to get these customers to take these printers, and in 99 out of 100 cases, if the company came around and said, "It is no longer economical to maintain these printers," they could say, "Take them out; we never wanted them there in the first place." They cannot seem to get together on that thing.

There is one feature where they could get together, and that is on the labor proposition. When it came to a question of fighting labor, they were just like that (indicating); they never had any differences on that proposition. In general they pursued the same policy of discharging anyone who talked unionism.

I want to mention a specific instance where they cooperated to keep the wages down. They have a gentlemen's agreement, if an agreement between such parties could be called a gentlemen's agreement, unwritten, of course. You will never find any record of it --n to the effect any employee working for one company shall not be hired by the other company until at least thirty days have elapsed between his resignation from the company for which he was previously working.

You know what that means. Workers working for the telegraph company cannot afford to take a thirty day vacation.

There is not one of them that could afford to do that, I mean, take a vacation in connection with the employees. Of course, the salaries of the officials would permit them to take a splendid vacation, but not for the employees, as such.

What is the result of that agreement? It means if the Western Union is paying better wages, and I am working for Postal, and I am discontented, I cannot go with Western Union and get a job. I have to be thirty days out of service before I can get a job which means, of course, I stay with the Postal, or vice versa.

That is just industrial serfdom, industrial slavery. That is all that it can be described as.

Incidentally, I want to say that it is a matter of common knowledge in Philadelphia when Mr. Rosenthal quit the Postal, when he quit the Postal, he did not go to work for the Western Union until thirty days, but we know he got paid for thirty days. He got paid for those thirty days. Mr. Rosenthal is a very shrewd gentlemenagd I admire the gentleman, and I admire the trimming he is giving the Postal in this particular matter. He is toomshrewd to let them let him off thirty days without-getting paid for it. As a matter of fact, Mr. Rosenthal did not report to them until thirty days. You might explain that on this ground of coincidence. Several remarkable grounds of coincidence were explained in

the previous testimony. Several times here it has been mentioned the present code should be amended. The present code should not be amended. The present code should be absolutely discarded and not considered at all, in so far as the telegraph industry is concerned. There is nothing in that code that was formulated for the industry in particular.

To start out with, the idea of $15 minimum is something to start arguing, and arrive at the proposition of $25 is more than $15, is an entirely wrong argument. No consideration whatever should be given to that blanket code. That, as I understand, was merely a question of expediency of getting the industry under a code and was considered to be temporary and was characterized by Mr. Johnson as wholly unsatisfactory. It should be discarded and a code worked out for the telegraph industry based entirely on the needs of the workers in thattelegraph industry.

We should have a new code starting from scratch. The hours and wages prescribed in PRA codes are wholly unsatisfactory when applied to this industry; likewise, there should be no mention of any wage differential in the South.

The telegraph companies get the same remuneration for their services in the South as in the North. A telegraph worker living in Atlanta, for example, does the same work qualitatively and quantitatively as a man on the other end

of the wire in New York.

The whole theory of this wage differential is based on the allegation that living costs are cheaper in the South. I have heard it cited thatduring a large portion of the year one may dispense with shoes and go barefooted. The telegraph have us nearly there now, but for appearances sake we still wear uppers, though the soles may have holes in them. We want new shoes, not no shoes.

Counsel for the Postal asked you to prohibit extension of unpaid for facilities. He admitted they were doing things unfair to the employees, but he said, "We can't do right by our employees unless you give us this and that and give us the other thing, and then we will do right by our employee."

He told you they lost money in doing these foolish things.

We employees were never consulted in matters of policy of this kind. Any employee with years of experience could have told these executives they were plunging themselves into a very ridiculous and uneconomic situation, but they never asked us. There is no such thing as employee consultation in the matter. We were made the goats in the situation. They did as they liked and we are bearing the burden.

Mr. Kern says he admits we are not getting paid enough, but before they can pay any more they must be rescued and they will do the right thing by the employees. We place no

faith in their future kindliness. Years of experience have shown us we cannot. We have learned from long experience we will get nothing voluntarily.

We ask you to pay no attention to such promises and to predicate no relief on the basis of their helping us by them being helped by you. We feel that benefits handed to them will have a tendency to stick to their palms, and not flow freely to us.

In closing, let me say, gentlemen, that the telegraph workers have their thoughts focused on this hearing today. Thousands of men and women are looking hopefully to NRA for sympathetic understanding of their needs and are firmly believing that President Roosevelt's wishes to restore the economic life of the nation by relieving the distress of the masses is deeply shared by yourselves on this committee.

We have suffered terribly because of the mismanagement which the executive officers of the Postal Telegraph have pointed out.

They have told you that the extension of free facilities by both companies in their efforts to cut each other's throats has put the telegraph industry into a very bad position. What they failed to point out is that because of their folly we are made the victims. They try to recoup their losses by cutting our wages.

They ask you to rescue them by regulatory act, then

they will do something for us. We ask you to rescue us first since we are the innocent victims.

We ask you to give us an advance in wages commensurate with the valuable services which we perform. If you give us those wages, and then the companies find they are unable to operate because of high payment of wages, then, if that is true, which I do not grant, I believe that the effecting of these economies which I have mentioned, such as curtailing of these free privileges, and so on, would put the companies in a proper position, but if after having effected economies we find in order to pay a decent living wage to workers in the industry the revenue is not sufficient, there is only one common sense solution, and that would be to give them a proper remuneration for their services.

Deputy Peebles: You mentioned you represented one-third of the employees, that you held powers of attorney from one-third. How many employees in that district?

Mr. Whittin: About 300 employees, and I have proxies from 100. I have letters from many men who were afraid to sign a proxy, but in some instances sent me a dollar and said, "Go to Washington and do what you can for us."

Deputy Peebles: I take it you have been a member of the Commercial Telegraphers' Union for a number of years.

Mr. Whittin: Many years.

Deputy Peebles: When you were with the Western Union

you were identified with their association of employees?

Mr. Whittin: No, I refused to become identified with any such outfit.

Deputy Peebles: In your talk you mentioned that there has been certain reclassification of route operators to office messengers. When was that done?

Mr. Whittin: I believe Mr. Powers mentioned a date in regard to it. So far as I could say the company, of course, in surveying the situation, when they realized the FRA was going to go into effect, they naturally got their heads together, and said, "How can we chisel this thing," and reclassified these people, so that when the FRA went into effect, they would not come under the minimum.

Deputy Peebles: To your knowledge does any such reclassification still stay in effect?

Mr. Whittin: I could not say definitely I know of particular instances, but I know it does obtain in various places on the system.

Mr. Powers mentioned a letter from one place. I believe, however, in Philadelphia, when some yell was put up about it, some of the kids probably went to the NRA, and they raised their pay.

Were you interested in the reclassification of certain branch office managers?

Deputy Peebles: Yes.

Mr. Whittin: That still obtains.

Dr. Hettinger: When I asked that question, my viewpoint was this: Presumptively at least there has been a real case made as to the inadequacy of wages. Granting that to be true for the moment, the next point that comes up is just simply the plain fact that the companies would have nothing to use as money to pay anything like the wage rates you have suggested, that is, certain of your suggestions would take appreciably more than the whole gate receipts of the companies. In that case it would seem to me even to approximate that there would be two possible alternates. The first of them would be to raise rates. I think that any study of the gross earnings of the companies in conjunction with the very rapid growth in toll line revenues would suggest you would not get very far by raising the rates.

The question asked before and the question I am making you again, I am in substantial sympathy with your position -- the question is this: if the gross revenues are inadequate to permit any substantial increase in wages, such as would represent even an approximation of the requests or demands that labor has presented, and if the rate structure is incapable of such increase to provide any appreciable remedy, is there anything that you could suggest that would be a more profitable first approach than eliminating or endeavor to eliminate what you have characterized as unfair or unpaid

services that probably have arisen over a long period of years in the industry?

Mr. Whittin: Have you finished?

Dr. Hettinger: Yes.

Mr. Whittin: I think an immediate saving, running into hundreds of thousands of dollars could be effected if the two telegraph companies would immediately discontinue the twenty or more thousand teletype machines which they have in various customers' places. The rentals for the wires, you must understand they rent those wires from the telephone company, and the rentals on those wires are on a mileage basis, and run anywhere from $1 to $30 or more per month, in accordance with the distance involved from the telephone office to the customer's office. I believe the elimination of that thing alone would save them hundreds of thousands of dollars.

From general experience and knowledge of the conditions that have existed, and have come under my own knowledge, and feeling those conditions are typical of the thing as a whole, I believe I am safe in saying that the discontinuance of the maintenance of these printers in those private offices and the saving effected on payments of leased wires would run into many hundreds of thousands of dollars.

Furthermore, the maintenance -- a printer may be ten miles away from the telegraph office, and some trifling thing

happens to it, and the customer says, "I cannot use this printer. Come down and fix it."

Dr. Hettinger: With respect to these two exhibits which you have introduced, neither of the telegraph companies control that, but I believe you would be interested some time for your curiosity in looking up who controls the monopoly on gold and platinum and irridium, and so forth.

Mr. Whittin: I really am not interested in that phase. Those things are entirely beyond me. It is a useless effort for me to figure it out. Some of the brainest people in the world cannot decide about the gold situation, so certainly it is not up to me.

Deputy Peebles: Mr. Johnston desires to make a few remarks.

Mr. Johnston: Mr. Whittin has said probably we will not be able tocure all the evils in the telegraph communications business unless we move on to a point of a Federal Communications Commission.

I want to put something in the record so that all interested may see that, that part of the testimony before the Senate Interstate Commerce Committee on S. 2910, which is the Federal Communications Commission -- so that you might look it up. It is about 18½ pages, and you need not encumber the record of this hearing by reprinting what may be found in the published hearings of that bill.

The parts to which I refer and which tie in with this hearing, because they have much to do with the question of fair practice between the companies, are covered by the statement of G.M. P. Murphy, on behalf of Cable and Radio Users Protective Committee, pages 142 to 153, and pages 216 to 218 of the hearings of the Interstate Commerce Committee on S. 2910, Federal Communications Commission, March 15, 1934.

Also in the statement in reply to Mr. Murphy's statement, by J.C. Walliver, first vice-president of the Western Union Telegraph Company, pages 173 to 176.

STATEMENT OF MISS RUTH BLATT

Chairman, Grievance Committee, United Telegraphers of America.

Miss Blatt: I am Chairman of the Grievance Committee, United Telegraphers of America.

We are a bona fide labor union, independent, and so forth.

I am a multiplex operator employed by the Postal Telegraph at the main office in New York.

Before I go into my report, I am going to deal with the conditions in the main office in New York or most of the main operating rooms.

I want to supplement something Mr. Whittin said. One of you asked him when these aides were changed in the

classification and back again.

When the PRA was signed they were made those messengers, but on December 27, 1933, they were returned routing aides and given the minimum wage.

On that very day we had complained about the fact they were not getting the minimum wage, and they day they were given the minimum wage, thirty of them were discharged.

Being a woman I am interested in my nerves, and in this report I want to confine myself to working conditions, what I consider to be one of the most exacting phases of the telegraph industry, and these conditions are in the main operating room in any large city, like New York, Philadelphia, Chicago, San Francisco, Boston, and so forth.

At the present time, any time you get a financial book it means about 3000 more messages. That is considered an emergency, and the employees are supposed to fill in after their hours which indicates the shortage of labor and defeats the President's program.

It is in the main operating office in a big city that we are actually made conscious of the element upon which the entire communications industry rests; that element, gentlemen, is speed, and without speed there can be very little meaning to telegraphic communications.

Allow me, gentlemen, to take you for a trip to the New York main office as an example. Taking a paragraph

from the book titled "Communication", written by David O. Woodbury, and published by Dodd, Mead & Co., a graphic description is presented of the Main Office operating room of a telegraph company.

"We stand on the threshold of a big, noisy room filled with long tables at which rows upon rows of girls bend over various kinds of machines. Bells are ringing, signal lights are blinking here and there; messengers are moving swiftly in and out, dropping or picking up sheafs of messages. The din and clatter of a thousand wheels and belts and shafts make conversation impossible. But in the midst of it all the operators sit calm and cool. There is no hurry anywhere — only speed."

Mr. Woodbuyr's description is well put, but a few words should be added. First, in regard to the bells:

Practically all automatic telegraph machines are equipped with bells for different signalling purposes, also some circuits are equipped with much larger bells, to insure their getting immediate attention, these bells being of such ear-splitting calibre, operators desert their regular wires to answer the signal, thereby cutting off the bell. Then the telephone bell is supplemented with a much later bell. In fact, the last two mentioned bells should be classified as gongs, not bells, such being in common use for burglary and fire alarm purposes, which leads us to differ with Mr.

Woodbury when he says "the operators sit calm and cool". It is not reasonable to believe that operators working amidst such noises, the accompanying vibrations and at the speed with which their work is expedited, could long remain calm and cool.

Further attesting to this contention that the outward coolest of operators is but a mask for taut nerves and tired muscles, is a result of an unofficial survey made by us by informally interviewing 26 operators whose classification of duty is representative of all others employed in the main office. Of these, only two claimed exemption from nervous exhaustion; eighteen claimed they could do good work for the first four hours, but the ensuing four hours invariably brought about physical strain in the form of stiff arms, aching shoulders or just general weariness and fatigue. Five claimed to be similarly affected, as the eighteen, but stated further that they were nervous wrecks and were forced to lose at least a week every two months in redeeming her balance and patching up their general health.

We see, therefore, how very essential is a truly short work week, and of how little use would be a forty hour week. Forty hours would not, by any means, insure the needed interval of rest between working. Particularly if the companies continue their policy of working us overtime, without added compensation, which the Government now permits them to do.

Our code specifies no overtime, and that only catastrophes should be classed as emergencies, as every day overtime is being held under the emergency clause.

Contrary to the popular belief and one which causes people to believe that telegraphy is simple is the conception that telegraphy at present is automatic. It is our contention that automatic so-called telegraphy, especially in the main relay offices is performed by highly skilled workers not mechanized operators. Multiplex and teletype machines are not automatic. They are merely an electrified form of typewriter with slightly varying keyboards.

Furthermore, the need for concentration on these printer machines is even greater than on the old Morse, for while the Morse requires a longer period of apprenticeship, it is quite enervating once you reach a good measure of proficiency; the dots and dashes imprint themselves automatically upon your brain and concentration becomes less necessary, whereas while the printer operator achieves greater keyboard facility as experience increases, the machine must be approached with a definite rythmetical touch, and any failure to concentrate immediately disturbs this rythm, making liability to error a great possibility.

I might add that fatigue naturally lessens the ability to concentrate.

The all inclusive average on the early night tour

in the New York main office, in which tour a majority of the messages are night letters, is maintained steadily at approximately fifty messages per hour, per operator. The day tour average is 67.3.

That the main office operator is truly a skilled performer, meaning, of course, those with three years' experience, and more, is again attested to by the fact that many of these operators perform first-class work on as high as five different methods of telegraph operation, very regularly transferred as needed to different departments, using different methods, or machines with varying key-boards. In one eight hour tour any employee may be transferred to the different departments containing three different machines.

In addition to the above, operators are frequently conscripted to work in seven other distinct departments, i.e., as telephone operator, service clerk, D & A. (Copy-over); routing aid; belt inspection, plant (testing and regulating); tube clerk and supervisor of operators.

The above is a statement of fact, and not to be considered lightly, also it should be borne in mind that there is specific routine for the performance of any duty. The routine book to read, with its many applications would require the good part of a day.

Not alone are the routine methods expected to be committed to memory but also on the main office bulletin

board is a list of more than ninety-five customers to whom especially expedited service is given. A note attached to this list states the operators should master the list in approximately two weeks. Aside from this glass-enclosed list, from time to time customers names are placed on separate bulletin boards along with the request to also memorize such names as are stated.

If it were not an admitted fact that telegraphy as a vocation, especially when employed in the main offices is detrimental to the health, in affecting the nervous system to so great an extent, the telegraph companies would never have instituted the plan of relief every two hours. The writer is informed, but has not verified the statement that there is a New York State to that effect.

But even this relief period is rarely carried out. For the past several months particularly the volume of business has been so much greater than the present force of employees could handle that workers have been receiving short relief and lunch periods only after three to four hours steady work. Day tour operators have two 15 minute relief periods in eight hours, besides at one-half lunch period on their own time. Early night operators are entitled to one 15 minute relief in 7½ hours and a one half lunch period on their own time.

The lat night operators receive a differential of

one half to one hour, receive only a 15 relief period.

Therefore in the setting of maximum hours, main office employees should receive especial consideration, for therein lines the sweat shop of the communications industry.

Approximately the same conditions obtain in all main offices, some of the resort point main offices being the exception during non seasonal periods.

We mentioned speed and we meant speed.

From time to time notices are placed on the main office bulletin boards naming some operator that has handled as high and higher than one hundred and forty telegrams in one hour's time without receiving a questioning wire on any of the messages. That is production. I pause to state that the existing maximum salary paid in the New York Main office is $100 a month for first class operators. The Postal Telegraph Company having slashed slaries from approximately 30 to 40 per cent during the depression, have returned only one part, six per cent.

Listed below are some firms employing telegraph operators, and the minimum salary they operators receive:

| | |
|---|---|
| Chicago Trib. News Service | $45.00 weekly |
| Clinton & Gilbert | 30.00 weekly |
| J.S. Basche & Co | 27.50 weekly |
| Associated Press | 35.00 weekly |
| Canadian Pacific | 105.00 monthly |

| | |
|---|---|
| First of Boston | $28.50 weekly |
| Canadian National | 105.00 Monthly |
| Canadian Natl and Canadian Pacific Morse operators receive minimum | 110.00 monthly |

Other firms and the minimum salaries paid telegraph operators:

| | |
|---|---|
| Blythe & Co. | $125.00 month |
| Pierce & Co. | $120.00 month |
| Milwaukee Jul. (5 hr job) | 1.10 per hour |
| Mackay Radio | $135.00 month |
| Field & Glore | $165.00 month |
| X-Canadian Press | $42.50 per week |
| X-United Press | $42.50 per week |
| X- Universal (news) Service | $45.00 per week |
| X-International News Service | $42.50 per week. |

Canadian, United and International News Sve pay a differential of $2.50 per week for night work.

| | |
|---|---|
| Commercial Cables | $65.00 per month |
| Western Union Tel Cp. | 110.00 per month |
| Postal Tel. Co. | 44.15 per month |

The salaries as paid by these companies were obtained as being accurate and actual.

This list presents minimum salaries only

These salaries may or may not apply to other than New

York City telegraph operators wages average slightly above thirty eight dollars ($38.00) per week minimum by the nine companies whose wage disbursements are listed weekly.

The companies, particularly the Postal Telegraph have claimed repeatedly that they are financially unable to give their employees a wage that would provate decent compensation for difficult tasks well performed. We would suggest a thorough investigation by the Government on this score. But that is not our concern here. Our point is that the volume of business has increased in the past several months that the average messages per hou per operator has correspondingly greatly increased; that for this increased production we have received no increased payl that instead of employing more workers to adequately take care of this increased business, the companies are constantly discharging workers, making the remaining workers do the work of two or three operators, and that this is defeating the plan to put more people back to work.

Again, we repeat that an investigation of the companies' finances must be undertaken to discover the actual reason why there is morebusiness, but, as they claim, no money.

Particularly, as the Western Union does not even wish to sign a code.

In an early speech President Roosevelt made a statement to the effect that those business men unable to pay a wage in

accordance with work done and in keeping with living conditions, ought to go out of business.

If the telegraph companies are steadily losing money while their employees are handling anywhere from 50 to 150 messages every hour, every day, why do they continue in business? It seems illogical and certainly demands a great stretching of imagination as to the alleged contention on the part of the companies that they are not making ends meet.

In view of conditions herein stated and likewise that an investigation will dilute the companies' losses, we ask the administration that it accept the union scale of wages and hours as the only one designed togive us a decent living wage and one that will serve to reduce the grave abuses and physical hazards of the telegraph industry.

STATEMENT OF HAROLD A. BATES,

Vice President of the United Telegraphers of America,

No. 304 World Building, New York City.

Mr. Bates: My name is Harold A. Bates, Vice President of the United Telegraphers of America, 304 World Building, New York City.

Our organization at present represents approximately 250 members of Postal and Western Union employees. The majority of these are in the New York City offices.

Deputy Peebles: How are they divided between the two

companies?

Mr. Bates: The Western Union is about ten per cent of Postal.

We are a small organization, comparatively.

The working conditions now prevalent in this industry serve as an unbelievable example of what is at present taking place in the most industrialized of all nations. Namely, the existence on the one hand of the very last word in mechanical achievement and scientific advancement, presupposing a country nearly technically ideal and on the other hand, low wages, long hours and nerve destroying conditions of those employed in this highly mechanized industry.

All of us are fond of saying the the sweatshop, tanks to the NRA has definitely been sunk in the past. We are, likewise, accusomed to coupling in our minds the sweatshop with ill lighted and unaired tenements, etc. But he sweatshop is not dead nor is it confined to basements and lofts. When wages are belowliveable levels; when hours of labor are too long for the leath of the workers; when the tension in any industry is so great that nervous strain is imminent, then it can truthfully be said that sweatshop conditions exist in that particular industry. When, furthermore, one person is forced to do the work ordinarily allotted to two, increased nervous strain and health danger results. Such is primarily the conditions of work in the communications field.

During the period March 5th to 11th, 1933, the Postal Telegraph at Detroit handled 57,375 messages at a cost per message of a fraction over two cents. During the same period in 1934, 75,780 messages were handled at a cost per message of 1¾ cents. Is an increase in the efficiency of the operators responsible for this? No. It merely means that operators in fear of losing their jobs have been forced to operate two or more circuits. It means that overhead has been cut by discharging certain employees and making the others double up. In Chicago the cost per message for a like period in 1933 was 2½ cents. In 1934, it was a fraction over two cents. The figures speak for themselves.

Section 3 of the proposed code mentions bona fide learners. It does not define it nor do we care to. It is our contention that those attending a training school should be classified as students for whom we make no provision. Upon graduation such students enter the category of operators of less than one year's experience and are cared for under our proposed amendments which I will later read. I might add that in the case of an employee who has been working in another capacity for a number of years and is sent to school to learn operating, the same rule could not justifiably apply.

Several weeks ago under pressure from the NRA, telegraph companies were forced to abolish a so-called extra

list whereby an employe would sit in the rest rooms for several hours, often four or five, waiting to be called to do an hour's work. The NRA caused the companies to guarantee at least four hours' work daily to such employees.

For a short time the ruling was adhered to. Now, last Saturday, to be exact, several Morse operators in the New York Main Office were notified of their removal to a so-called emergency list. They were told they could remain at home, without, of course, any compensation, and if their services were required during a busy period they would be called by telephone or telegraph. A rumor, obviously of official origin, circulated that those on emergency list could not hope to get in any work at all unless they were interested enough to hang around the office where they could be reached quickly. In any interpretation, this emergency list appears to be nothing but the extra list with a new christening. This practice must necessarily be stopped.

Certain regular employees, and by "regular" I mean those employed on the full time basis, are often asked to cover a sporting event held at night. As, for instance, a boxing match. This is in addition to their regular tour of duty and for which they receive no compensation and are forced to take time off so that the quota of 192 hours will not be exceeded. In other instances, men are asked to take an afternoon off in order to work at a sporting event at night. This,

of course, eliminates overtime but does not in any wayteke into consideration the obvious inconvenience of working during the morning, taking off the afternoon and holding themselves in readiness for the evening. Surely these acts cannot receive administration support.

Check girls and route aids, that is those employees engaged in taking messages from the conveyor belts and bringing them to the wires over which they will be transmitted, have been designated as messengers. Can they sensibly be so classified when they are never required to carry any message more than a few feet to reach its destined wire? For years they have been classified as check and routing aids. This sudden change can only be interpreted as an obvious attempt to place them in the category of messengers and therefore not subject to any code now in force as relates to minimum wage.

With reference to section 3 of the proposed code we fail to see any distinct fair reason for any number of hours per week in this instance 48 hours, to be averaged over a 13 week period. It seems to be a general contention of the employers that emergencies arise necessitating working employees a certain amount of time beyond the 48 hours in any one week. These apparent emergencies occur several times a week at present. The average/course means that an employee working 48 hours plus 8 hours overtime or a total of 56 hours in any one week will be required to work only 40 hours the

following week. No overtime is taken into consideration so far as additional compensation is concerned, nor is the inconvenience imposed upon the employee considered. There is no need for this action on the part of employers and it is of course most unfair. Emergencies arise in all industries, but time worked in excess of any specified hours should be considered overtime and additional compensation granted therefor as proposed in our amendments.

No provision has been made by the companies concerned with reference to a graduated wage scale along the lines of years of service and differences in positions. It would appear that in the employers opinion a junior operator is entitled to a minimum $15 wage and that in so far as they have provided an operator of ten years experience may receive the same minimum. No distinction is made between the various classes of employees such as operators, telephone operators and mechanics, etc. In fair ness to these various classes of employees, we have drafted an amendment graduating these positions, separating them into categories with regard to their relative importance to the industry.

It also appears that the companies have collaborated on the number of hours, namely 40 hours per week, with some of the employees representatives. Why 40 hours should be generally considered the best work week from the company standpoint is understandable. They had to give something.

But why employees' (labors') representatives should also generally agree on 40 hours is beyond comprehension unless such representatives are company-union minded. A reduction to 40 hours per week, will not in any measure solve the unemployment situation in the communications field, and with the little results it would obtain, it would not be fully in line with the intent of the Administration. There are many hundreds of unemployed telegraphers. The industry as a whole while broad in operations, is small in personnel employed. There are sufficiently unemployed telegraphers to meet the needs of a much shorter work week than has so far been recommended. In this connection, it is respectfully suggested that no more students be trained as operators until such time as the industry has absorbed much fair proentage of the unemployed as maybe determined by the NRA.

With your permission, sir, I will nowread our proposed amendments.

NATIONAL INDUSTRY RECOVERY CODE OF THE TELEGRAPH COMMUNICATIONS INDUSTRY.

(Submitted by the United Telegraphers of America, an independent organization of telegraph employees, as an amendment to the proposed code:)

Desiring to aid in effectuating the policy of the National Industrial Recovery Act, the undersigned companies engaged in the telegraph communications field adopt the

following code pursuant to Title I of that act.

1. The effective date of this code shall be the tenth day after the code is approved by the President of the United States.

Beginning Section 2: Abolish Section 2 and substitute the following:

No telegraph company shall employ any person under the age of sixteen years.

Abolish Section 3, substituting the following:

3 (a) For all employees 30 hours shall constitute a full work week, 5 days per week, worked on the basis of 6 consecutive hours per day, exclusive of a 30 minutes relief period and inclusive of a 15 minutes relief period. Any time worked in excess of 6 hours in any one day shall be considered overtime and shall be paid for at a time and one-half rate. No employee shall be required to take off any such excess time to keep within 30 hours for the week.

(b) No company shall be permitted to establish or maintain an extra list. Any employee hired by any company signing this agreement shall be a regular employee with a predetermined tour of duty as specified in Section 3 above.

Section 4 amended to read:

(a) Not to pay any employee less than $15 per week in any city of over 500,000 population nor less than $14.50 per week in any city of between 250,000 and 500,000 population, nor less than $14 per week in any other place not before

mentioned.

Strike out subsection (b) and substitute the following subsection.

(b) No telegraph employee shall be paid less than the minimum wages established below:

Automatic and Morse Operators of less than one year's experience, hourly minimum, $.80

Automatic and Morse Operators of more than one year and less than three years experience, hourly minimum, $1.25

MorseOperators of more than three years experience, hourly minimum, $1.06

Combination operators of more than three years experience, hourly minimum, $1.75

Operator clerks, hourly minimum, $1.10

(c) Automatic and Morse Supervisors shall be paid an hourly minimum of $1.50

(d) Testing and Regulating Department employees hereinafter enumerated shall be paid not less than the following minimum wages:

Simplex and Teletype mechanics "non morse" minimum per month, $180.

Morse Line attendants "Morse non-non mechanics" minimum per month, $200.

Multiplex Line Attendants "Morse non and mechanics," minimum per month, $220.

Wire chiefs "horse men" minimum per month $250.

Electricians, inside wire men, belt mechanics and installers, minimum per month, $120

(e) Clerks shall be classified and paid as follows:

Money Transfer clerks, bookkeepers and stenographers, a minimum per month of $150

Telephone receiving operators and duplicating and addressing clerks a minimum per month of $140

Service Clerks, routing clerks, delivery clerks, and receiving clerks, a minimum per month of $90

Ledger clerks, due bill clerks and dentry clerks, a minimum per month of $80

All other clerks, not listed, shall receive a minimum per month of $60

(f) Operators used as relief supervisors shall be paid the supervisory rate per hour for the time so used.

(g) All employees hereinbefore enumerated in Sections B, C, D, E and F, of Section 4 of this code shall be paid time and one half for Sunday and double time for holiday work.

(h) All employees hereinbefore enumerated in Sections B, C, D, E and F of Section 4 of this code shall receive one week's vacation with pay after one year of service, 2 weeks vacation with pay after two years of service and three weeks

vacation with pay after having completed three years of service and three weeks vacation with pay each year thereafter.

Abolish Section 6 and substitute the following:

The maximum hours fixed in this agreement shall not apply to commission salesmen, employees on cable ships, employees outside of the continental United States or to messengers in isolated places of less than 2,500 population.

The minimum wages herein established shall not apply to commission salesmen, employes on cable ships, or to employees outside cont'nental United States.

Amend Section 6 to read:

Compensation for employment now in excess of the minimum wages established by this code shall not be reduced in consequence of any reduction in hours provided by this code.

Section 7 A of the National Industrial Recovery Act, quoted, below, will be complied with.

"Sec 7 (A) Every code of fair competition, agreement, and license approved, prescribed, or issued under this title shall contain the following conditions: (1) That employes shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; (2) that no employe and no one seek-

ing employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and (3) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President."

Section 3 amended to read:

This code shall continue in effect until terminated by the President of the United States, or until such date as the President by proclamation or the Congress by joint resolution shall declare that the emergency recognized by the National Industrial Recovery Act has ended.

At this hearing I have heard unfair competition and discriminating practices and they have been discussed at length. I have heard one supposedly employees' representative say he knew anything of any such practices, other than by hearsay and, in addition, that he didn't feel it a duty of his organization to concern itself with such practices.

It is our contention that anything so detrimental as to create a steady financial loss without a necessity therefor, within the industry, is also detrimental to the employees. With that in mind, we refer now to, specifically, the line service and call box services of the telegraph companies and the teletypewriter service of the A.T. and T. and associated

companies.

I would at this point like to read into the record two or three paragraphs from a leaflet distributed by the Postal Telegraph describing the two advertisements typical of both companies.

"The charge generally for sending messages by Lineal Wire service is one and onehalf times the fast (full-rate) telegram charge for ten words for a period of three minutes; for each additional minute the charge is generally one-third of the initial cost.

"Speed and simplicity. As many as 180 words may be sent in three minutes. T.W.S. messages will be routed at sufficient speed to meet all business requirements."

A comparison of the rates between a full rate telegram of 100 words and the same sent as a twx shows a disparity of exactly $7.65. That is the full rate will cost that much more.

The S.E.R. or serial when compared with a full rate telegram is approximately 60% less for the wordage involved.

Obviously to show profit these services would have to exceed in volume all other classes of services combined.

With reference to the callbox circuits, it is believed a minimum charge per month should be established.

With regard to the teletypewriter service of the A.T. & T., other than to say it is assuredly not fair to those

who have spent months learning how to operate such machines with the precision and efficiency required by telegraph companies, I will not comment.

I do, however, ask permission to submit for the information of the Deputy Administrator this advertisement which appeared in the Nation' Business in November, 1933, concerning the aforementioned teletypewriter service.

(The advertisement referred to was handed to the Deputy Administrator.)

We have attempted to outline the various grievances of the employees. We have drafted and submitted amendments to the proposed code that were and are considered essential to the benefit of the industry in general and in line with the Administration's New Deal Policy. It is now my privilege to assure you of our willingness to cooperate in every manner possible to further the policy and intent of the NRA.

Mr. Scott: Mr. Bates, referring to your schedule of minimum wages appearing in Section3 of this draft which you have submitted, will you state what the basis of this particular rate is? Are they arbitrary figures or based upon some facts?

Mr. Bates: These figures are more or less based upon previous salaries that were paid in better times, with some slight increases in some cases, as we believe the position was always entitled to more than they have ever been paid.

It is our contention telegraph employees have always been underpaid and we make the rate now a little high in comparison, which we feel is justified.

Mr. Scott: Generally speaking, are these rates about the same level that used to exist in the industry?

Mr. Bates: Slightly higher.

Mr. Scott: Are the differences between the various occupations based upon skill required to conduct those operations?

Mr. Bates: Yes, and the relative importance of these positions to the industry.

Deputy Peebles: I have a memorandum which I will read:

"April 3rd.

"Mr. L.H. Peebles:

Deputy Administrator.

Dear Sir.

Realizing that I may have misinterpreted your question asked this morning 'How many people in the Cable Division are there in the U.S.A' and, re-interpreting it as asking the number of people who would be affected by any decisions rising from our request for a separate code, may my answer be amended to read 'over a thousand'?

I make this request in the interests of clarification of matter pertaining to our particular part of the industry.

Yours truly,

W.H. Dickin,

Chairman New York Branch Commercial Cable Staff

Association."

STATEMENT OF MISS FLORENCE MacLAUGHLIN.

Miss MacLaughlin: I am an operator employed by the Postal Telegraph Company at 28 Broad Street, New York City.

I am a Morse operator, and Simplex operator as well.

The thing most uppermost in my mind is the fact that our work is so nerve wracking and wearing that it was absolutely necessary to have a shorter work week, at least, 30 hours as a minimum.

I think a six hour day, a five day week, sufficient, because any other judging of the hours, even on a forty hour week, might result ikn the fact we would work four hours one day, six hours the next and eight hors the next, and so on, so in the event of any change in the code from 48 to 40 hours, might work a hardship on us instead of a benefit.

In the years 1931, 1932, and 1933, especially in the winter we were obliged to lay off time from four to eight and sometimes more hours in a week, at our loss of salary, and while this was a great hardship, we felt the benefit of it.

Therefore, since the NRA was instituted, we have discussed the subject frequently, and notwithstanding the fact we understand a shorter work week would result, probably,

in the fact there would not be an increase in salary, we would prefer or some of us would, a much shorter work week, even more so than an increase in salary. That might not seem logical, after all the complaints we have received today, but we feel that in taking a much shorter work week we could benefit so many operators now walking the streets of New York and various cities.

One other subject is what would be considered a bona fide learner. The Western Union Telegraph Company is soliciting students for their school. They have a school in Newark, New Jersey, and they solicit from various cities. For instance, here in Washington, a friend of mine, her daughter was approached by an employee in the Western Union -- I believe an official of Western Union -- suggesting she take a course in their school at Newark, N.J., on a brand new kind of machine that has not been put into use yet, that she go up there and live; she will live there from six to eight weeks, and the company will pay her transportation and board, and when she is qualified as an operator, they will return her to Washington at $90 at the start.

That seems peculiar since so many operators are out of work and so many Morse operators that could be trained as automatic operators, unless this machine is so superior that I cannot see but that it would wear them out in a much quicker time than it does us through the amount of speed required.

A girl must be well educated, I guess. This girl that I am referring to had one year in college. We have had a lot of sleepless nights in the past because we were wondering how long we were going to work and whether the company would go out of business with all the sorrow they have had. They have told us about the terrific expense, they could not give us any more money. How will it work out in training peoplewhom so many are walking the streets.

Does that coincide with President Roosevelt's Reemployment Proclamation?

I worked for the Western Union in 1917. I was dismissed in 1918 for refusing to join their association. I went to the Postal, and am very glad I made the change. They are the more human to work for than the Western Union.

Deputy Peebles: I had hoped to finish this hearing tonight, but it seems that we cannot do so, so we will recess now until ten o'clock tomorrow morning.

(Whereupon, at 5.10 o'clock p.m., a recess was taken until Wednesday, April 4, 1934, at ten o'clock a.m.)